West African Resources Limited

ABN 70 121 539 375

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the financial year ended 31 December 2018 (six month transition year)

Dated 28 March 2019

GENERAL

Presented below is a discussion of the activities, results of operations and financial condition of West African Resources Ltd (the "Company" or "WAF") for three months and financial year ended 31 December 2018, compared to the same period in the preceding year and prior financial year ended 30 June 2018. This management discussion and analysis ("MD&A") was prepared using information available as of 28 March 2019 and should be read in conjunction with the audited financial statements for the six month financial year ended 31 December 2018, and notes thereto. The financial statements include the accounts of the Company and its subsidiaries. All monetary amounts referred to herein are in Australian dollars unless otherwise stated.

Additional information relating to the Company can be found in the Company's Annual Information Form and other disclosures on the SEDAR website at www.sedar.com, and on the Company's website at www.westafricanresources.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A 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 that may be deemed "forward looking". All statements in this MD&A, 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 this MD&A, these facts include their anticipated operations in future periods, the expected enhancement to project economics following optimisation studies, planned exploration and development of its properties including project development construction schedule, and plans related to its business and other matters that may occur in the future, including the availability of future funding for the development of the Sanbrado Gold Project. 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 mineralisation that will be encountered if a mineral property is developed.

As well, all of the results of the feasibility study on the Sanbrado Gold Project constitute forward-looking information, 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. Furthermore, with respect to this specific forward-looking information concerning the development of the Sanbrado Gold Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others:

i. the adequacy of infrastructure;
ii. unforeseen changes in geological characteristics;
iii. metallurgical characteristics of the mineralization;
iv. the price of gold;
v. the availability of equipment and facilities necessary to complete development and commence operations;
vi. the cost of consumables and mining and processing equipment;
vii. unforeseen technological and engineering problems;
viii. accidents or acts of sabotage or terrorism;
ix. currency fluctuations;
x. changes in laws or regulations;
xi. the availability and productivity of skilled labour;
xii. the regulation of the mining industry by various governmental agencies; and
xiii. political factors.

This MD&A also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the project, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on:

i. fluctuations in gold price;
ii. results of drilling;
iii. metallurgical testing and other studies;
iv. proposed mining operations, including dilution;
v. the evaluation of mine plans subsequent to the date of any estimates; and
vi. the possible failure to receive, or changes in, required permits, approvals and licenses.

Mineral Reserves are also disclosed in this MD&A. Mineral Reserves are those portions of Mineral Resources that have demonstrated economic viability after taking into account all mining factors. Mineral Reserves may, in the future, cease to be a Mineral Reserve if economic viability can no longer be demonstrated because of, among other things, adverse changes in commodity prices, changes in law or regulation or changes to mine plans. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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 materialise, 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 other filings all of which are filed on SEDAR at www.sedar.com.

COMPANY OVERVIEW

The Company and its subsidiaries (the "Group" or "West African") are engaged in mineral exploration and development in West Africa. The Group's mineral portfolio also includes gold and copper-gold exploration permits in Burkina Faso. West African's key asset is the Sanbrado Gold Project ("Sanbrado"), located in Burkina Faso. West African owns a 90% beneficial interest in Société des Mines de Sanbrado SA, which owns the Sanbrado mining licence. The government of Burkina Faso retains a 10% carried interest.

SIGINIFICANT COMPANY EVENTS

Updated Mining Licence

The original mining licence for the Sanbrado Gold Project was issued in March 2017. In July 2018, the Burkina Faso government approved an update to the original mining licence which encompasses revisions to the mining and ore processing methods detailed in the June 2018 feasibility study. These changes include underground mining in addition to open pit mining and carbon in leach (CIL) mineral processing.

Key Recruitments

Matthew Wilcox joined the West African executive team in September as Chief Development Officer to directly manage the construction of Sanbrado. Matthew 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. He was also was Project Director for the construction of Nord Gold's 4Mtpa Bissa Gold Project and 8Mtpa Bouly Gold Project, both located in Burkina Faso. Other key Burkina Faso-based appointments to the owner's construction team followed, including General Manager, Construction Manager, Earthworks Manager, Contracts Manager, Chief of Security, HR Manager, Financial Controller, and Safety and First Aid Officer. West African has assembled construction team that is highly experienced in delivering gold mining projects in West Africa and Burkina Faso.

Construction Works

West African commenced construction works at the Sanbrado project site during the reporting period, including:

- Box cut excavation for underground mining access;
- Stage one of the camp construction – 120 rooms of a total of 280 rooms;
- Footings and block work medical clinic, cafeteria and administration buildings;
- Clearing, grubbing and waste stripping of the M5 stage 1 pit area;
- Clearing and grubbing of the Water Storage Facility (WSF), Tailing Storage Facility (TSF) and process plant site, and
- Survey and line marking of the water pipeline route from the Nakambe river to site.

Figure 1: Sanbrado Gold Project Layout

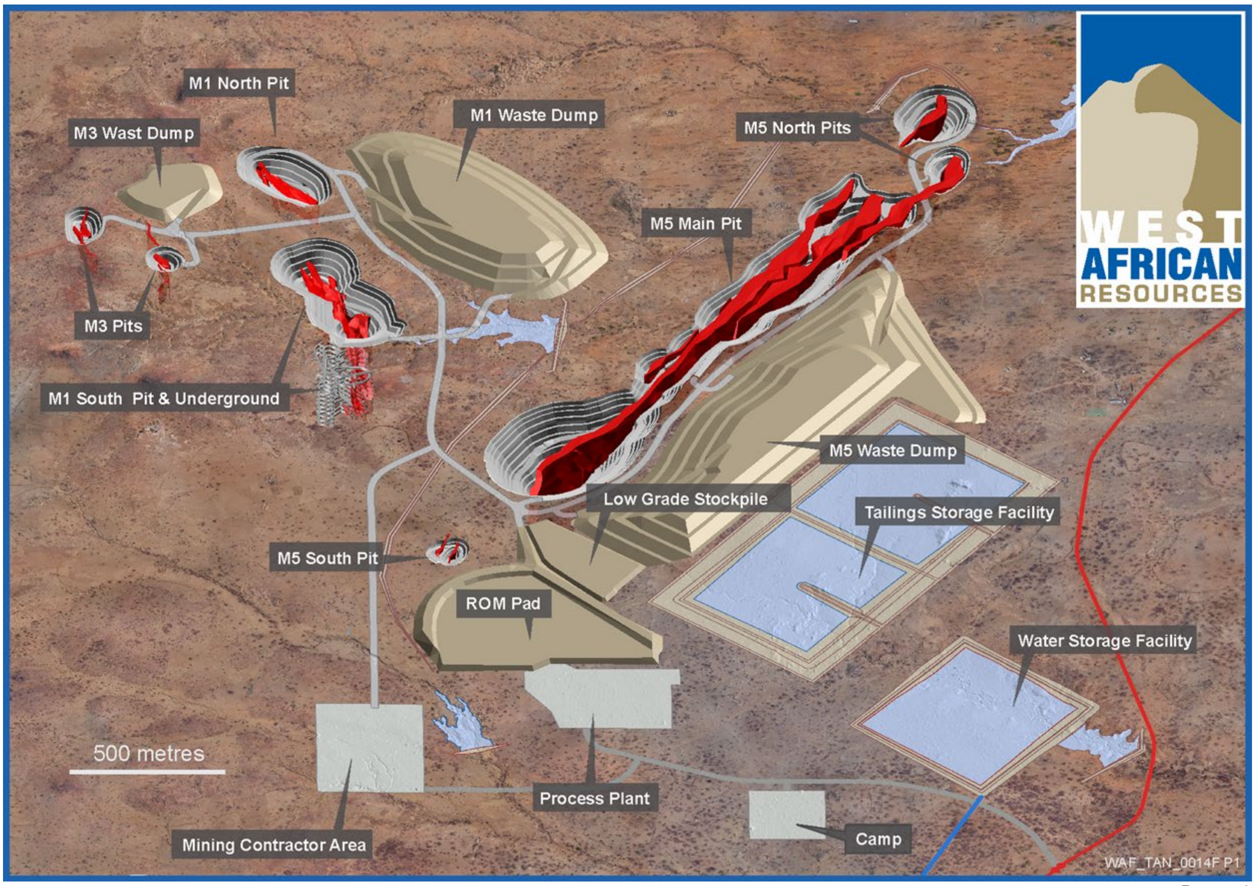

Photo 1: Stage 1 Camp Area

Photo 2: M1 South Box Cut

Photo 3: M5 Stage 1 Pit Area

Photo 4: TSF and WSF Area

Key Contracts

EPCM

West African appointed Lycopodium (ASX: LYL) for the engineering, procurement, and construction management (EPCM) of the Sanbrado mineral processing facilities. Lycopodium is an Australian-headquartered engineering and project management consultancy that has completed the construction of more than twelve gold development projects in West Africa since 2009. Lycopodium's scope for Sanbrado includes a 2Mtpa carbon-in-leach (CIL) treatment facility and other supporting infrastructure. Detailed design and procurement of mechanical equipment has commenced and in-country construction of the processing plant is scheduled to start in Q2 2019.

Mill Supply

The Company selected Outotec to supply the 4MW semi-autogenous grinding (SAG) mill and 4MW ball mill, principally due to their extensive experience with grinding mills especially in the size range required for Sanbrado. The order of these long lead time items was placed in October 2018. Outotec is a global mineral processing company that has extensive experience manufacturing and delivering more than 200 grinding mills to sites worldwide over the past 20 years, including more than 40 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).

Photo 5: SAG Mill Shell

Photo 6: Ball Mill Shell

Underground Mining

The Company awarded the underground (UG) mining services contract to highly experienced UG contractor, Byrnecut Burkina Faso SARL (Byrnecut), part of the Byrnecut group of companies. The award followed a competitive tender and due diligence process examining safety, experience and capabilities. Portal establishment and UG mining development will kick off at M1 South in the June quarter 2019.

Future key contracts

The Company plans to award the power supply and open-pit mining contracts in the first half of 2019.

Exploration

Exploration during the six-month period focused on the M1 South deposit at Sanbrado, aiming to extend underground resources, with step-down drilling at depth remaining a high priority in the Company's exploration strategy.

West African's June 2018 Feasibility Study proposed open-pit mining down to 120m vertical and UG mining from 120m below surface to approximately 470m below surface over 4.5 years. Drilling completed since June 2018 continued to intercept high-grade mineralisation, extending it more than 220m beneath underground reserves.

Step-down drilling during the period returned significant results including:
- TAN18-DD216: 2m at 5.1 g/t Au from 681.5m and 9m at 3 g/t Au from 705.5m;
- 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; and
- TAN18-DD217A: 6.5m at 6.8 g/t Au from 603.5m including 0.5m at 35.7 g/t Au.

Subsequent infill drilling of the main M1 South high-grade shoot returned outstanding results such as:
- TAN18-DD196-WD1: 12m at 3.4 g/t Au from 656.5m;
- TAN18-DD196-WD1: 0.5m at 192 g/t Au from 690m;
- TAN18-DD196-WD2: 1m at 18.1 g/t Au from 637m;
- TAN18-DD196-WD2: 10.5m at 8.8 g/t Au from 648m, including 0.5m at 138 g/t Au;
- TAN18-DD196-WD2: 1m at 36.9 g/t Au from 667.5m;
- TAN18-DD189-WD1: 10m at 8.1 g/t Au from 646.5m, including 0.5m at 33.8 g/t Au, 0.5m at 61.7 g/t Au;
- TAN18-DD189-WD1: 2.5m at 7.6 g/t Au from 666m;
- TAN18-DD189-WD1: 3m at 13.8 g/t Au from 682m, including 0.5m at 71.5 g/t Au;
- TAN18-DD189-WD2: 11m at 5.9 g/t Au from 639m, including 0.5m at 39.8 g/t Au;
- TAN18-DD189-WD2: 0.5m at 33.7 g/t Au from 675.5m;
- TAN18-DD214A-WD1: 21.5m at 15.3 g/t Au from 614m, including 0.5m at 102 g/t Au, 0.5m at 115 g/t Au, 0.5m at 42 g/t Au, 0.5m at 87.9 g/t Au and 0.5m at 39.7 g/t Au; and
- TAN18-DD214A-WD2: 14.5m at 19.9 g/t Au from 595.5m, including 1m at 219 g/t Au, 1m at 46.9 g/t Au.

West African reported further results later in the year, 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 40.4 g/t, 1.5m at 26.02 g/t Au from 879m and 0.5m at 71.80 g/t Au from 886m.

A summary long-section and cross-section through M1 South are presented as Figures 2 and 3. A table of drilling intercepts is presented in Table 1 (2 g/t Au Cut Off) and Table 2 (30 g/t Au Cut Off).

Figure 2: M1 South Long-section

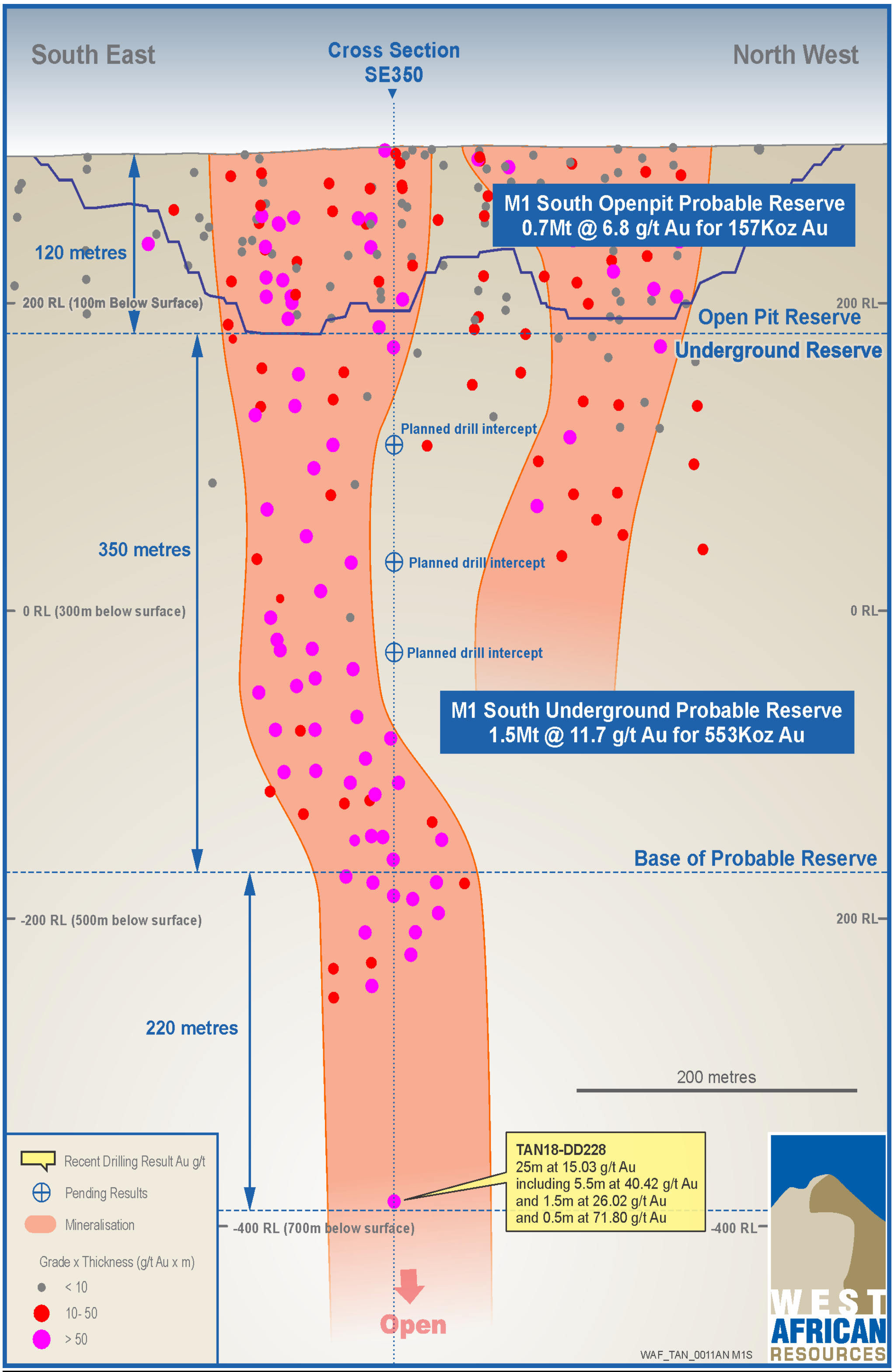

Figure 3: M1 South Cross-section SE0350

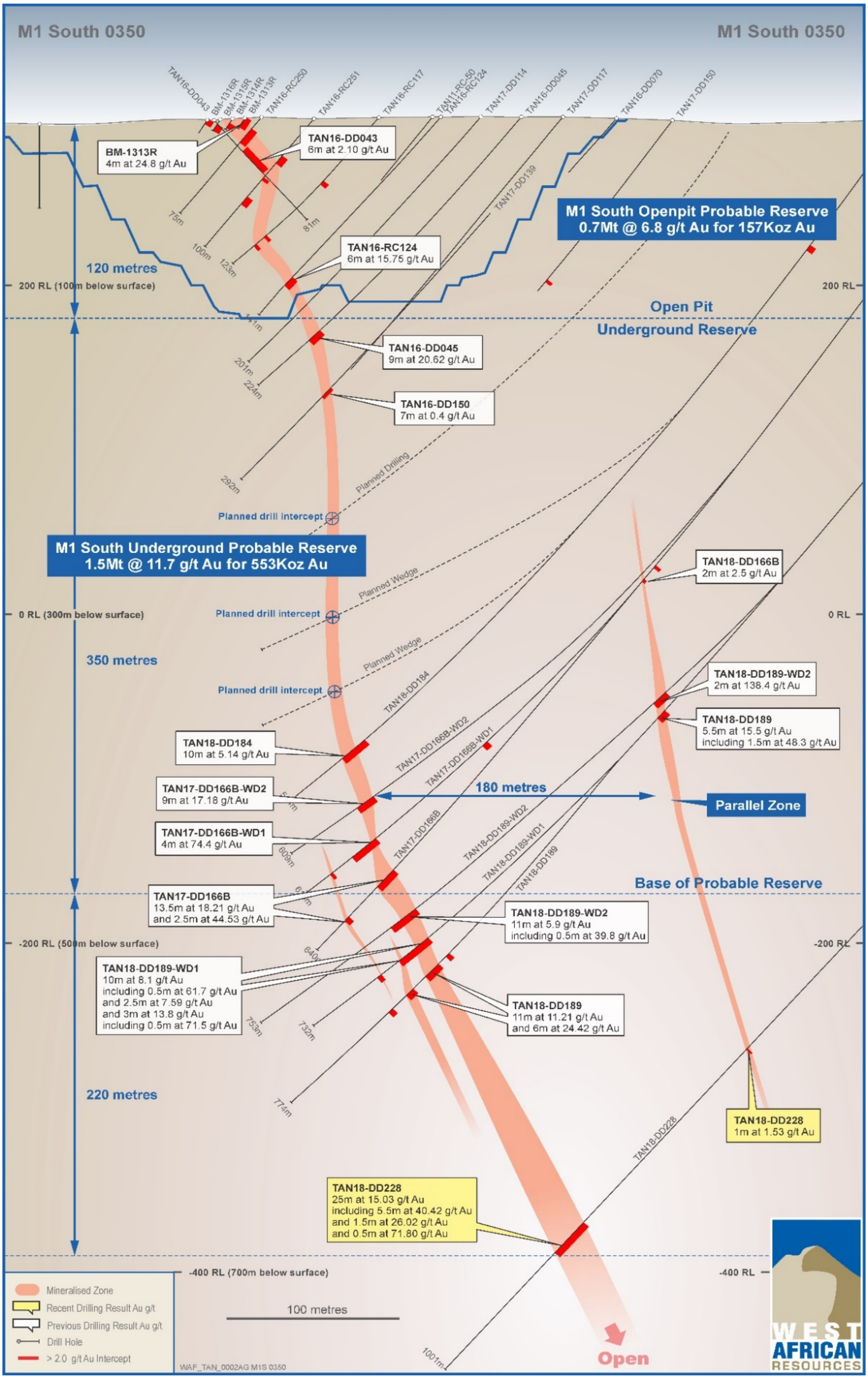

Table 1 M1 South Deposit Diamond Drilling Results at 2 g/t Cut Off												
Hole ID	**From**	**To**	**Interval**	**Au g/t**	**Dip**	**Azi**	**EOH**	**Easting**	**Northing**	**RL**	**Section**	**Prospect**
TAN18-DD184	0	496.5	496.5	NSR	-55	230	543.64	741801	1337220	300	SE0375	Mka1 S
TAN18-DD184	496.5	506.5	10	5.14								
TAN18-DD184	506.5	543.64	37.14	NSR								
TAN18-DD187	0	378	378	NSR	-55	230	450.3	741748	1337138	297	SE0400	Mka1 S
TAN18-DD187	378	378.5	0.5	2.64								
TAN18-DD187	378.5	389.5	11	NSR								
TAN18-DD187	389.5	391.5	2	3.28								
TAN18-DD187	391.5	394.5	3	NSR								
TAN18-DD187	394.5	395	0.5	2.38								
TAN18-DD187	395	450.3	55.3	NSR								
TAN18-DD189	0	452.5	452.5	NSR	-57	230	774.3	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189	452.5	458	5.5	15.47								
TAN18-DD189	458	654	196	NSR								
TAN18-DD189	654	665	11	11.21								
TAN18-DD189	665	675	10	NSR								
TAN18-DD189	675	681	6	24.42								
TAN18-DD189	681	695	14	NSR								
TAN18-DD189	695	695.5	0.5	19.9								
TAN18-DD189	695.5	774.3	78.8	NSR								
TAN18-DD189-WD1	0	646.5	646.5	NSR	-57	230	732.4	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189-WD1	646.5	656.5	10	8.14								
TAN18-DD189-WD1	656.5	666	9.5	NSR								
TAN18-DD189-WD1	666	668.5	2.5	7.59								
TAN18-DD189-WD1	668.5	682	13.5	NSR								
TAN18-DD189-WD1	682	685	3	13.82								
TAN18-DD189-WD1	685	732.4	47.4	NSR								
TAN18-DD189-WD2	0	449	449	NSR	-57	230	753	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189-WD2	449	451	2	138.40								
TAN18-DD189-WD2	451	639	188	NSR								
TAN18-DD189-WD2	639	650	11	5.94								
TAN18-DD189-WD2	650	656	6	NSR								
TAN18-DD189-WD2	656	657.5	1.5	2.81								
TAN18-DD189-WD2	657.5	675.5	18	NSR								
TAN18-DD189-WD2	675.5	676	0.5	33.7								
TAN18-DD189-WD2	676	753	77	NSR								
TAN18-DD196	0	676	676	NSR	-60	230	756.9	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196	676	676.5	0.5	17.9								
TAN18-DD196	676.5	683.5	7	NSR								
TAN18-DD196	683.5	684	0.5	8.63								
TAN18-DD196	684	693	9	NSR								
TAN18-DD196	693	710	17	4.07								
TAN18-DD196	710	756.9	46.9	NSR								
TAN18-DD196-WD1	0	656.5	656.5	NSR	-60	230	747.6	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196-WD1	656.5	668.5	12	3.40								
TAN18-DD196-WD1	668.5	684	15.5	NSR								
TAN18-DD196-WD1	684	684.5	0.5	2.61								
TAN18-DD196-WD1	684.5	690	5.5	NSR								
TAN18-DD196-WD1	690	690.5	0.5	192								
TAN18-DD196-WD1	690.5	747.6	57.1	NSR								
TAN18-DD196-WD2	0	637	637	NSR	-60	230	702.6	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196-WD2	637	638	1	18.08								
TAN18-DD196-WD2	638	646	8	NSR								
TAN18-DD196-WD2	646	658.5	12.5	7.64								
TAN18-DD196-WD2	658.5	667.5	9	NSR								
TAN18-DD196-WD2	667.5	668.5	1	36.85								
TAN18-DD196-WD2	668.5	702.6	34.1	NSR								
TAN18-DD206	0	126	126	NSR	-52	225	183.2	741640	1336992	301	SE0425	Mka1 S
TAN18-DD206	126	134	8	13.60								
TAN18-DD206	134	142.5	8.5	NSR								
TAN18-DD206	142.5	157	14.5	27.93								
TAN18-DD206	157	170.5	13.5	NSR								
TAN18-DD206	170.5	172	1.5	22.10								
TAN18-DD206	172	183.2	11.2	NSR								
TAN18-DD209	0	423	423	NSR	-55	230	555.2	741834	1337121	298	SE0475	Mka1 S
TAN18-DD209	423	423.5	0.5	2.4								
TAN18-DD209	423.5	425.5	2	NSR								
TAN18-DD209	425.5	426	0.5	2.64								
TAN18-DD209	426	440.5	14.5	NSR								
TAN18-DD209	440.5	444.5	4	25.72								
TAN18-DD209	444.5	456	11.5	NSR								
TAN18-DD209	456	456.5	0.5	2.04								
TAN18-DD209	456.5	482	25.5	NSR								
TAN18-DD209	482	496	14	7.82								
TAN18-DD209	496	555.2	59.2	NSR								

TAN18-DD214	0	13.5	13.5	NSR	-61	230	13.5	741882	1337327	301	SE0350	Mka1 S
TAN18-DD214A	0	578	578	NSR	-62	230	765.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A	578	578.5	0.5	520								
TAN18-DD214A	578.5	617	38.5	NSR								
TAN18-DD214A	617	640	23	7.33								
TAN18-DD214A	640	674	34	NSR								
TAN18-DD214A	674	674.5	0.5	2.4								
TAN18-DD214A	674.5	765.5	91	NSR								
TAN18-DD214A-WD1	0	584	584	NSR	-62	230	702.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A-WD1	584	584.5	0.5	2.34								
TAN18-DD214A-WD1	584.5	586.5	2	NSR								
TAN18-DD214A-WD1	586.5	587	0.5	3.85								
TAN18-DD214A-WD1	587	614	27	NSR								
TAN18-DD214A-WD1	614	635.5	21.5	15.31								
TAN18-DD214A-WD1	635.5	702.5	67	NSR								
TAN18-DD214A-WD2	0	396	396	NSR	-62	230	696.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A-WD2	396	397	1	30								
TAN18-DD214A-WD2	397	403	6	NSR								
TAN18-DD214A-WD2	403	404	1	18								
TAN18-DD214A-WD2	404	595.5	191.5	NSR								
TAN18-DD214A-WD2	595.5	610	14.5	19.88								
TAN18-DD214A-WD2	610	696.5	86.5	NSR								
TAN18-DD216	0	681.5	681.5	NSR	-60	230	783.3	741930	1337278	301	SE0425	Mka1 S
TAN18-DD216	681.5	683.5	2	5.13								
TAN18-DD216	683.5	689.5	6	NSR								
TAN18-DD216	689.5	690	0.5	2.47								
TAN18-DD216	690	705.5	15.5	NSR								
TAN18-DD216	705.5	714.5	9	3.02								
TAN18-DD216	714.5	783.3	68.8	NSR								
TAN18-DD217	0	16.6	16.6	NSR	-60	230	16.6	741864	1337343	302	SE0325	Mka1 S
TAN18-DD217A	0	417	417	NSR	-60	230	702.3	741862	1337345	302	SE0325	Mka1 S
TAN18-DD217A	417	418	1	2.03								
TAN18-DD217A	418	424	6	NSR								
TAN18-DD217A	424	425	1	2								
TAN18-DD217A	425	603.5	178.5	NSR								
TAN18-DD217A	603.5	610	6.5	6.83								
TAN18-DD217A	610	702.3	92.3	NSR								
TAN18-DD217A-WD1	0	415	415	NSR	-60	230	699.5	741862	1337345	302	SE0325	Mka1 S
TAN18-DD217A-WD1	415	417	2	17.41								
TAN18-DD217A-WD1	417	699.5	282.5	NSR								
TAN18-DD218	0	218.3	218.3	NSR	-53	227	218.3	741768	1336836	296	SE0625	Mka1 S
TAN18-DD219	0	245.5	245.5	NSR	-52	223	245.5	741727	1336866	298	SE0575	Mka1 S
TAN18-DD227	0	464.5	464.5	NSR	-59	226	585.4	741861	1337144	299	SE0475	Mka1 S
TAN18-DD227	464.5	465.5	1	3.76								
TAN18-DD227	465.5	585.4	119.9	NSR								
TAN18-DD228	0	862	862	NSR	-60	225	1000.8	742050	1337473	302	SE0375	Mka1 S
TAN18-DD228	862	887	25	15.082								
TAN18-DD228	887	1000.8	113.8	NSR								
TAN18-DD229	0	438	438	NSR	-55	230	501.7	741766	1337186	299	SE0375	Mka1 S
TAN18-DD229	438	439	1	2.29								
TAN18-DD229	439	449	10	NSR								
TAN18-DD229	449	450	1	11.9								
TAN18-DD229	450	501.7	51.7	NSR								
TAN18-DD230	0	164	164	NSR	-51	225	213.5	741635	1337014	302	SE0400	Mka1 S
TAN18-DD230	164	165	1	85.82								
TAN18-DD230	165	175	10	NSR								
TAN18-DD230	175	178.5	3.5	40.98								
TAN18-DD230	178.5	213.5	35	NSR								
TAN18-DD231	0	180.3	180.3	NSR	-50	225	180.3	741614	1337011	302	SE0400	Mka1 S
TAN18-DD232	0	258.5	258.5	NSR	-53	225	351.5	741718	1337062	301	SE0425	Mka1 S
TAN18-DD232	258.5	259	0.5	2.18								
TAN18-DD232	259	260.5	1.5	NSR								
TAN18-DD232	260.5	265	4.5	88.994								
TAN18-DD232	265	275	10	NSR								
TAN18-DD232	275	275.5	0.5	2.17								
TAN18-DD232	275.5	287.5	12	NSR								
TAN18-DD232	287.5	291.5	4	16.926								
TAN18-DD232	291.5	299	7.5	NSR								
TAN18-DD232	299	304	5	3.709								
TAN18-DD232	304	309.5	5.5	NSR								
TAN18-DD232	309.5	310	0.5	2.35								
TAN18-DD232	310	351.5	41.5	NSR								
TAN18-DD232-WD1	0	257	257	NSR	-53	225	276.35	741718	1337061	301	SE0425	Mka1 S
TAN18-DD232-WD1	257	257.5	0.5	2.06								
TAN18-DD232-WD1	257.5	261	3.5	NSR								
TAN18-DD232-WD1	261	265	4	22.056								
TAN18-DD232-WD1	265	270.5	5.5	NSR								
TAN18-DD232-WD1	270.5	272	1.5	3.42								
TAN18-DD232-WD1	272	274.5	2.5	NSR								
TAN18-DD232-WD1	274.5	275	0.5	2.05								
TAN18-DD232-WD1	275	276.35	1.35	NSR								
TAN18-GT19	0	291.4	291.4	NSR	-50	45	291.4	741379	1336811	300	SE0375	Mka1 S

Table 2 M1 South Deposit Diamond Drilling Results at 30 g/t Cut Off												
Hole ID	**From**	**To**	**Interval**	**Au g/t**	**Dip**	**Azi**	**EOH**	**Easting**	**Northing**	**RL**	**Section**	**Prospect**
TAN18-DD184	0	505.5	505.5	NSR	-55	230	543.64	741801	1337220	300	SE0375	Mka1 S
TAN18-DD184	505.5	506	0.5	33.9								
TAN18-DD184	506	543.64	37.64	NSR								
TAN18-DD187	0	450.3	450.3	NSR	-55	230	450.3	741748	1337138	297	SE0400	Mka1 S
TAN18-DD189	0	455.5	455.5	NSR	-57	230	774.3	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189	455.5	457	1.5	48.31								
TAN18-DD189	457	655	198	NSR								
TAN18-DD189	655	656	1	39.8								
TAN18-DD189	656	680.5	24.5	NSR								
TAN18-DD189	680.5	681	0.5	240								
TAN18-DD189	681	774.3	93.3	NSR								
TAN18-DD189-WD1	0	651.5	651.5	NSR	-57	230	732.4	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189-WD1	651.5	652	0.5	33.8								
TAN18-DD189-WD1	652	653.5	1.5	NSR								
TAN18-DD189-WD1	653.5	654	0.5	61.7								
TAN18-DD189-WD1	654	684.5	30.5	NSR								
TAN18-DD189-WD1	684.5	685	0.5	71.5								
TAN18-DD189-WD1	685	732.4	47.4	NSR								
TAN18-DD189-WD2	0	449	449	NSR	-57	230	753	741899	1337313	301	SE0375	Mka1 S
TAN18-DD189-WD2	449	451	2	138.40								
TAN18-DD189-WD2	451	639	188	NSR								
TAN18-DD189-WD2	639	639.5	0.5	39.8								
TAN18-DD189-WD2	639.5	675.5	36	NSR								
TAN18-DD189-WD2	675.5	676	0.5	33.7								
TAN18-DD189-WD2	676	753	77	NSR								
TAN18-DD196	0	693.5	693.5	NSR	-60	230	756.9	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196	693.5	694	0.5	37.9								
TAN18-DD196	694	756.9	62.9	NSR								
TAN18-DD196-WD1	0	690	690	NSR	-60	230	747.6	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196-WD1	690	690.5	0.5	192								
TAN18-DD196-WD1	690.5	747.6	57.1	NSR								
TAN18-DD196-WD2	0	657	657	NSR	-60	230	702.6	741916	1337294	301	SE0400	Mka1 S
TAN18-DD196-WD2	657	657.5	0.5	138								
TAN18-DD196-WD2	657.5	667.5	10	NSR								
TAN18-DD196-WD2	667.5	668.5	1	36.85								
TAN18-DD196-WD2	668.5	702.6	34.1	NSR								
TAN18-DD206	0	132	132	NSR	-52	225	183.2	741640	1336992	301	SE0425	Mka1 S
TAN18-DD206	132	132.5	0.5	183								
TAN18-DD206	132.5	142.5	10	NSR								
TAN18-DD206	142.5	145.5	3	64.86								
TAN18-DD206	145.5	151	5.5	NSR								
TAN18-DD206	151	154.5	3.5	52.80								
TAN18-DD206	154.5	171	16.5	NSR								
TAN18-DD206	171	171.5	0.5	61.5								
TAN18-DD206	171.5	183.2	11.7	NSR								
TAN18-DD209	0	441	441	NSR	-55	230	555.2	741834	1337121	298	SE0475	Mka1 S
TAN18-DD209	441	443.5	2.5	38.21								
TAN18-DD209	443.5	482	38.5	NSR								
TAN18-DD209	482	482.5	0.5	55.8								
TAN18-DD209	482.5	487.5	5	NSR								
TAN18-DD209	487.5	488	0.5	57.9								
TAN18-DD209	488	495.5	7.5	NSR								
TAN18-DD209	495.5	496	0.5	37.9								
TAN18-DD209	496	555.2	59.2	NSR								
TAN18-DD214	0	13.5	13.5	NSR	-61	230	13.5	741882	1337327	301	SE0350	Mka1 S
TAN18-DD214A	0	578	578	NSR	-62	230	765.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A	578	578.5	0.5	520								
TAN18-DD214A	578.5	618.5	40	NSR								
TAN18-DD214A	618.5	619	0.5	79.6								
TAN18-DD214A	619	624	5	NSR								
TAN18-DD214A	624	624.5	0.5	33.9								
TAN18-DD214A	624.5	625	0.5	NSR								
TAN18-DD214A	625	625.5	0.5	41.8								
TAN18-DD214A	625.5	639	13.5	NSR								
TAN18-DD214A	639	639.5	0.5	36								
TAN18-DD214A	639.5	765.5	126	NSR								

TAN18-DD214A-WD1	0	616	616	NSR	-62	230	702.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A-WD1	616	616.5	0.5	102								
TAN18-DD214A-WD1	616.5	620.5	4	NSR								
TAN18-DD214A-WD1	620.5	621	0.5	115								
TAN18-DD214A-WD1	621	624	3	NSR								
TAN18-DD214A-WD1	624	624.5	0.5	42								
TAN18-DD214A-WD1	624.5	630.5	6	NSR								
TAN18-DD214A-WD1	630.5	631	0.5	87.9								
TAN18-DD214A-WD1	631	634.5	3.5	NSR								
TAN18-DD214A-WD1	634.5	635	0.5	39.7								
TAN18-DD214A-WD1	635	702.5	67.5	NSR								
TAN18-DD214A-WD2	0	396	396	NSR	-62	230	696.5	741881	1337330	301	SE0350	Mka1 S
TAN18-DD214A-WD2	396	397	1	30								
TAN18-DD214A-WD2	397	600.5	203.5	NSR								
TAN18-DD214A-WD2	600.5	601.5	1	219.00								
TAN18-DD214A-WD2	601.5	608	6.5	NSR								
TAN18-DD214A-WD2	608	609	1	46.85								
TAN18-DD214A-WD2	609	696.5	87.5	NSR								
TAN18-DD216	0	705.5	705.5	NSR	-60	230	783.3	741930	1337278	301	SE0425	Mka1 S
TAN18-DD216	705.5	706	0.5	37.8								
TAN18-DD216	706	783.3	77.3	NSR								
TAN18-DD217	0	16.6	16.6	NSR	-60	230	16.6	741864	1337343	302	SE0325	Mka1 S
TAN18-DD217A	0	609.5	609.5	NSR	-60	230	702.3	741862	1337345	302	SE0325	Mka1 S
TAN18-DD217A	609.5	610	0.5	35.7								
TAN18-DD217A	610	702.3	92.3	NSR								
TAN18-DD217A-WD1	0	415	415	NSR	-60	230	699.5	741862	1337345	302	SE0325	Mka1 S
TAN18-DD217A-WD1	415	416	1	30.9								
TAN18-DD217A-WD1	416	699.5	283.5	NSR								
TAN18-DD218	0	218.3	218.3	NSR	-53	227	218.3	741768	1336836	296	SE0625	Mka1 S
TAN18-DD219	0	245.5	245.5	NSR	-52	223	245.5	741727	1336866	298	SE0575	Mka1 S
TAN18-DD227	0	585.4	585.4	NSR	-59	226	585.4	741861	1337144	299	SE0475	Mka1 S
TAN18-DD228	0	863.5	863.5	NSR	-60	225	1000.8	742050	1337473	302	SE0375	Mka1 S
TAN18-DD228	863.5	864	0.5	31.8								
TAN18-DD228	864	865	1	NSR								
TAN18-DD228	865	870.5	5.5	39.94								
TAN18-DD228	870.5	879	8.5	NSR								
TAN18-DD228	879	879.5	0.5	41.6								
TAN18-DD228	879.5	880	0.5	NSR								
TAN18-DD228	880	880.5	0.5	34								
TAN18-DD228	880.5	886	5.5	NSR								
TAN18-DD228	886	886.5	0.5	71.8								
TAN18-DD228	886.5	1000.8	114.3	NSR								
TAN18-DD229	0	501.7	501.7	NSR	-55	230	501.7	741766	1337186	299	SE0375	Mka1 S
TAN18-DD230	0	164.5	164.5	NSR	-51	225	213.5	741635	1337014	302	SE0400	Mka1 S
TAN18-DD230	164.5	165	0.5	163								
TAN18-DD230	165	175	10	NSR								
TAN18-DD230	175	178	3	46.86								
TAN18-DD230	178	213.5	35.5	NSR								
TAN18-DD231	0	180.3	180.3	NSR	-50	225	180.3	741614	1337011	302	SE0400	Mka1 S
TAN18-DD232	0	261	261	NSR	-53	225	351.5	741718	1337062	301	SE0425	Mka1 S
TAN18-DD232	261	264	3	131.95								
TAN18-DD232	264	290	26	NSR								
TAN18-DD232	290	291.5	1.5	39.76								
TAN18-DD232	291.5	351.5	60	NSR								
TAN18-DD232-WD1	0	261	261	NSR	-53	225	276.35	741718	1337061	301	SE0425	Mka1 S
TAN18-DD232-WD1	261	262.5	1.5	31.23								
TAN18-DD232-WD1	262.5	263.5	1	NSR								
TAN18-DD232-WD1	263.5	264	0.5	71.6								
TAN18-DD232-WD1	264	276.35	12.35	NSR								
TAN18-GT19	0	291.4	291.4	NSR	-50	45	291.4	741379	1336811	300	SE0375	Mka1 S

Notes for table 1 and table 2:

- All holes are diamond holes.
- All reported intersections from the current 2018 program are assayed at 1m intervals for M5 and 0.5m for M1 where possible.
- Sample preparation and Fire Assay conducted by SGS Ouagadougou. Assayed by 50g fire assay with AAS finish. All samples >5 g/t Au are checked by 50g fire assay with gravimetric finish.
- Mineralised intervals for DD reported >2g/t Au with a maximum of 5 m of internal dilution of less than 2/t gold. No top cut applied.
- “NSR” represents ‘no significant result’
- QA/QC protocol: one blank, one standard and one duplicate are inserted for every 17 samples (3 QA/QC within every 20 samples).

Feasibility Study

In July 2018, West African filed a National Instrument 43-101 (NI 43-101) Technical Report titled "Open Pit and Underground Feasibility Study, Sanbrado Gold Project, Burkina Faso", with an effective date of 25 April 2018 which related to the updated feasibility study which was announced on 22 June 2018. There were no changes to the group's resources and reserves in the reporting period.

Table 1: Sanbrado Gold Project December 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**

Table 2: Sanbrado Gold Project December 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**

The Company is planning to release an update to its Sanbrado Feasibility Study in early Q2 2019, incorporating the new exploration results and an accelerated mining and milling schedule based on a higher plant throughput.

Corporate

US$200 million Debt Facility

On 5 December 2018, West African announced a credit approved debt facility for Sanbrado construction with Taurus Funds Management Pty Ltd (Taurus). The key terms of the debt facility include:

- US$200,000,000 debt facility;
- 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;
- offtake agreement for 1.25 million ounces of gold pursuant to which the Company will receive the prevailing spot gold price subject to an agreed price quotation period. West African Resources retains the right to buy back the remaining balance of the offtake rights at any time on pre-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; and

Taurus is a privately-owned mining finance fund that provides project development and acquisition finance to mining and metals companies. Taurus has significant mining finance experience in West Africa and has recently provided debt facilities for two other significant new gold projects in the West African region.

The Company awarded the debt facility mandate to Taurus following a five-months of technical, environmental and legal due diligence and a highly competitive selection process. West African received 14 debt package proposals for Sanbrado construction ranging from US$124 million to US$215 million from banks, debt funds and royalty companies.

Management expects first drawdown of its Taurus debt facility to occur in April 2019.

Share Placement for A$43.2 million

In December 2018 West African completed a share placement to raise A$43.2 million, before costs. The share placement was completed in a single tranche of 172.7 million new shares at $0.25 per share under West African's existing 25% placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. The proceeds raised will be used to fund Sanbrado construction, exploration, and corporate costs.

Share Purchase Plan for Retail Shareholders

West African also undertook a non-underwritten share purchase plan to facilitate retail shareholder participation of up to A$15,000 per eligible shareholder at a A$0.25 offer price, subject to an overall cap of A$5.0 million, or 20.0 million shares. The offer documents were issued to shareholders on 14 December 2018 and closed on 25 January 2019.

Change of Financial Year End

On 13 November 2018, the company advised that it was changing its financial year end from 30 June to 31 December. The change brought the financial year end of the Company into alignment with the financial year end of its operational subsidiaries in Burkina Faso, which will result in administration efficiency gains for the group. As such the latest financial statements were for a period of six-month (ended December 31, 2018), with comparative period being a twelve-month period ended June 30, 2018. For the benefit of end users an additional comparative period for the six-months ended December 31, 2017 has been included in all financial tables, in addition to comparisons to the last ended financial year, being the twelve-month period ended 30 June 2018.

Results of AGM

At the Annual General Meeting of WAF Shareholders on 30 November 2018, all resolutions put to the meeting were carried by the requisite majority. Resolutions were as follows:

1. Adoption of Remuneration Report
2. Election of Ian Kerr as a Director
3. Re-election of Mark Connelly as a Director
4. Approval of additional 10% Placement Capacity

5. Approval of Incentive Option and Performance Rights Plan
6. Issue of Incentive Options to Director Ian Kerr
7. Issue of Incentive Options to Director Mark Connelly
8. Issue of Options in Lieu of Director Fees – Mark Connelly
9. Issue of Options in Lieu of Director Fees – Ian Kerr
10. Issue of Options in Lieu of Director Fees – Simon Storm
11. Issue of Options to Director – Richard Hyde
12. Re-election of Richard Hyde as a Director
13. Re-election of Simon Storm as a Director
14. Appointment of Auditor.

Notice of Meeting

WAF held a General Meeting of its Shareholders on 1 February 2019 and the two resolutions were carried by the requisite majority:

- resolution 1 – Ratification of previous share issue under ASX Listing Rule 7.1; and
- resolution 2 – Ratification of previous share issue under ASX Listing Rule 7.1(a).

Expiry of Options

WAF advised during the period that 250,000 options with an exercise price of $0.10 and 200,000 options with an exercise price of $0.145 expired.

Security and Government Update

At the end of the December the Burkina Faso parliament voted to implement a state of emergency in the north and east of the country following repeated attacks by Islamic militants. Although the Company's operations are located in the south west region and have not been affected to date, security protocols have been upgraded and steps have taken to further improve the safety of WAF's staff and contractors working in Burkina Faso.

After the period ended 31 December 2018, on Friday January 18th Burkina Faso Prime Minister Mr Paul Kaba Thieba announced his resignation from office along with his cabinet. On Monday January 21st Burkina Faso President Mr Roch Kaboré appointed Mr Christophe Dabiré Prime Minister. Mr Dabiré is a former Minister of Health (from 1992 to 1997), Minister of Secondary Education, Higher Education and Scientific Research (from 1997 to 2000) and has held the position of Commissioner in charge of Regional Market Department at the West African Economic and Monetary Union (UEMOA) since 2011.

Other Exploration Projects

No work was completed during the quarter on the Company's other projects.

March 2019 Quarter Plans

- ✓ Completion of feasibility study optimisation and update
- ✓ Exploration drilling near surface targets in trucking distance to Sanbrado
- ✓ Completion of stage 1 camp (120 rooms), admin building, clinic and temporary power station
- ✓ Major mechanical and electrical equipment procurement
- ✓ Structural steel and platework fabrication commencement

REVIEW OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

Revenue and total comprehensive losses were as follows:

	Six Months Ended 31 Dec 2018 $'000	Twelve Months Ended 30 Jun 2018 $'000	Six Months Ended 31 Dec 2017 $'000	Twelve Months Ended 30 Jun2017 $'000
Revenue	**405**	461	200	257
Foreign exchange gain / (loss)	**(175)**	325	275	210
Administration expenses	**(1,111)**	(4,080)	(2,165)	(3,872)
Employee expenses	**(1,367)**	(722)	(324)	(480)
Exploration and evaluation expenses	**(708)**	(20,002)	(10,002)	(10,556)
Impairment of other receivables	**(595)**	(1,584)	(1,353)	-
Share of loss of equity accounted investees				
Loss before income taxes	**(3,551)**	(25,602)	(13,370)	(14,442)
Income tax benefit	**-**	302		
Net loss after tax	**(3,551)**	(25,300)	(13,370)	(14,442)
Foreign currency translation differences for foreign operations	**717**	(74)	106	118
Total comprehensive loss attributable to the Company's shareholders	**(2,834)**	(25,375)	(13,264)	(14,324)
Basic and diluted loss per share (cents per share)	**(0.5)**	(4.3)	(2.4)	(3.0)

The components of general and administrative expenses were as follows:

	Six Months Ended 31 Dec 2018 $'000	Twelve Months Ended 30 Jun 2018 $'000	Six Months Ended 31 Dec 2017 $'000	Twelve Months Ended 30 Jun 2017 $'000
Regulatory and compliance expense	**(96)**	(215)	(108)	(263)
Office expense	**(144)**	(360)	(199)	(219)
Depreciation expense	**(90)**	(95)	(38)	(73)
Travel and accommodation expense	**(72)**	(188)	(81)	(117)
Property expense	**(58)**	(48)	(52)	(95)
Consulting fee expense	**(319)**	(833)	(439)	(544)
Director's fees	**(62)**	(242)	(208)	(65)
Share based payments	**(172)**	(297)	(150)	(142)
Interest expense	**-**	(6)	(6)	(91)
Feasibility and scoping studies	**(98)**	(1,796)	(884)	(2,264)
	(1,111)	(4,080)	(2,165)	(3,872)

The components of exploration and evaluation expenses were as follows:

	Six Months Ended 31 Dec 2018 $'000	Twelve Months Ended 30 Jun 2018 $'000	Six Months Ended 31 Dec 2017 $'000	Twelve Months Ended 30 Jun 2017 $'000
Exploration and evaluation expenditure	**8,299**	20,002	10,002	10,556
Less: amounts classified to mines under construction	**(7,591)**	-	-	-
Exploration and evaluation expense	**708**	20,002	10,002	10,556

Key components of financial position were as follows:

	31 Dec 2018 $'000	30 Jun 2018 $'000	31 Dec 2017 $'000	30 Jun 2017 $'000
CURRENT ASSETS				
Cash and cash equivalents	**66,355**	42,565	21,302	10,550
Accounts receivable	**851**	713	246	339
Other current assets	**37**	37	36	36
Total Current Assets	**67,243**	43,315	21,584	10,925
NON-CURRENT ASSETS				
Property, plant & equipment	**388**	374	219	126
Mine properties	**18,830**	-	-	
Other non current assets	**3,148**	-	-	
Total Non-Current Assets	**22,366**	374	219	126
TOTAL ASSETS	**89,609**	43,689	21,803	11,052
CURRENT LIABILITIES				
Trade and other payables	**9,690**	4,397	4,007	1,970
Total Current Liabilities	**9,690**	4,397	4,007	1,970
NON-CURRENT LIABILITIES				
Provisions	**2,155**	-		
Total Non-Current Liabilities	**2,155**	-	-	-
TOTAL LIABILITIES	**11,845**	4,397	4,007	1,970
NET ASSETS	**77,763**	39,292	17,795	9,081

REVIEW OF COMPREHENSIVE LOSS

Revenue

For the six-month period ended 31 December 2018, revenue totalled $405,000 ($461,000 in the comparative period ending 30 June 2018 which includes 12 months, and $200,000 for the six months ended 31 December 2017). In both periods the Group's revenue mainly relates to interest earned on cash balances. The Company had no other sources of revenue, including from operations, in any period. The higher revenue was due to interest received on the higher average cash balance over the reporting period. The average cash balance over the reporting period reflects the carry-over of cash from the $35 million equity raising in May 2018 plus the cash increase from the $43.2 million equity raising in early December 2018.

Administration expenses

For the six-month period ended 31 December 2018, administration expenses were $1,079,000 ($4,081,000 in comparative period ending 30 June 2018 which includes 12 months, and $2,165,000 for the six months ended 31 December 2017). This decrease is mainly due to lower feasibility study expense. Feasibility expense decreased in the period because certain of the feasibility costs qualify as exploration and evaluation (E&E) expenditures for Sanbrado and there was a change in accounting treatment to capitalise E&E costs incurred in relation to the Sanbrado gold project after the decision was made to proceed with the development of Sanbrado on 16 July 2018. Thereafter, these expenses were capitalized. The other administration expenses in the period are approximately in-line with the six-month period ended 31 December 2017.

Employee expenses

For the six-month period ended 31 December 2018 administrative and corporate employee expenses were $1,367,000 ($722,000 in comparative period ended 30 June 2018 which includes 12 months, and $324,000 for the six months ended 31 December 2017). The increase over the comparative 6-month period was due to the increased hiring of executive and non-executive employees for development of the Sanbrado Gold Project as it advanced over the time period.

Exploration and evaluation ("E&E") expenses

E&E costs for the six-month period ended 31 December 2018 of $758,000 were expensed ($20,002,000 in comparative period which includes 12 months, and $10,002,000 for the six months ended 31 December 2017). The lower E&E expense is due to the change in accounting classification of these costs following the issuance of the updated exploitation permit for the Sanbrado gold project on 18 July 2018 following which these expenses were capitalized. $7,591,000 of E&E costs incurred on the Sanbrado mining licence have been capitalised to 'Mines under construction' after the decision was made to proceed with development of the Sanbrado gold project following receipt of the updated mining licence. As such, the $758,000 of E&E expenses in the six-month period ended 31 December 2018 represents $329,000 of E&E costs on the Group's exploration tenements combined with $429,000 of E&E costs on the Sanbrado mining licence during the first 17 days of the six-month period.

Impairment of other receivables

Impairment of other receivables was $595,000 ($1,584,000 in the comparative 12-month period ended 30 June 2018). The impairment amount reflects provisions to value added tax receivable due to the uncertainty of collection.

Other comprehensive income

During the six-month period the Company reported other comprehensive income of $717,000 compared to other comprehensive loss of $74,000 for the comparative period. The variation between periods is essentially related to the effects of changes in the foreign exchange rate of the Burkina Faso currency 'CFA franc' to Australian dollars at the end of the reporting periods as it relates to the legal entities which have a different functional currency than the presentation currency of the Company.

REVIEW OF FINANCIAL POSITION

Net assets as at 31 December 2018 were $77,744,000 ($39,292,000 as at 30 June 2018). The main reason for the increase during the period was a $23,790,000 increase in 'Cash and cash equivalents', a $18,809,000 increase in 'Mine properties', and a $3,148,000 increase in 'other current assets'. This was partially offset by higher 'Trade and other payables' ($5,291,000) and 'Non-current provision ($2,155,000). The changes in these balance sheet components are further explained below.

Cash and cash equivalents

Cash increased from $42,565,000 at the start of the period to $66,355,000 at 31 December 2018 mainly due to a $40,066,000 net cash inflow from financing activities, partially offset by a $4,230,000 net cash outflow from operating activities, and a $11,871,000 net cash outflow from investing activities. Cash usage in operating activities in the period mainly represents non-Sanbrado exploration expenditure and corporate administration. Cash usage in financing activities in the period mainly represents Sanbrado construction and E&E expenditure.

The Cash inflow from financing activities reflects a $43,175,000 equity raising completed in December, partially offset by $2,043,000 of share issue costs and $1,066,000 of borrowing costs. As at 31 December 2018, the net equity proceeds were unspent and formed part of Company's working capital. As announced on 6 December 2018, the net proceeds of the equity raising will be used for:

- Sanbrado development costs; Pre-production mining costs;
- project financing costs including interest, charges and offer costs;
- Burkina Faso taxes associated with project construction;
- exploration; and
- corporate costs, including working capital.

Mine properties

Mine properties increased from nil at the start of the period to $18,830,000 at 31 December 2018 reflecting capitalised E&E and construction expenditure on the Sanbrado Gold Project during the reporting period. The E&E costs and construction costs incurred on the Sanbrado mining licence from 18 July 2018 have been capitalised to 'Mines under construction', which is a component of 'Mine properties', after the decision was made to proceed with development in respect of Sanbrado, and such development received appropriate government approvals on that date.

Trade and other payables

Trade and other payables as at 31 December 2018 were $9,688,000 ($4,397,000 as at 30 June 2018). This increase during the period is due the ramp up of expenditures for development of the Sanbrado gold project, combined with accruals of transaction costs related to establishment of the debt facility negotiated for construction of the Sanbrado gold project.

Non-current provision

Non-current provision at 31 December 2018 were $2,155,000 (nil as at 30 June 2018). This increase during the period is a result of recognising a rehabilitation provision related to construction activities at the Sanbrado gold project.

REVIEW OF FINANCIAL RESULTS FOR THE 3 MONTH PERIOD 31 DECEMBER 2018

Total comprehensive losses for the 3 months ended December 31 2018 and 2017 were as follows:

	Three months ended 31 December	
	2018 $'000	**2017 $'000**
Revenue	**202**	162
Foreign exchange gain / (loss)	**(336)**	92
Administration expenses	**(614)**	(1,538)
Employee expenses	**(1,028)**	(236)
Exploration and evaluation expenses	**64**	(5,728)
Impairment of other receivables	**(249)**	(1,353)
Share of loss of equity accounted investees	**-**	-
Loss before income taxes	**(1,961)**	(8,601)
Income tax benefit	**-**	-
Net loss after tax	**(1,961)**	(8,601)
Foreign currency translation differences for foreign operations	**692**	108
Total comprehensive loss attributable to the Company's shareholders	**(1,269)**	(8,493)
Basic and diluted loss per share (cents per share)	**(0.5)**	(4.3)

Administration expenses

During the quarter, administration expenses were $582,000 ($1,528,000 in comparative quarter). This decrease is mainly due to lower feasibility expense. Feasibility expense decreased in the period because certain of the feasibility costs qualify as exploration and evaluation (E&E) expenditures for Sanbrado and there was a change in accounting treatment to capitalise E&E costs incurred in relation to the Sanbrado gold project after the decision was made to proceed with the development of Sanbrado on 16 July 2018. Thereafter, these expenses were capitalized.

Employee expenses

During the quarter, personnel costs were $1,028,000 ($236,000 in comparative quarter). The increase was due to the hiring of executive and non-executive employees for development of the Sanbrado gold project.

Exploration and evaluation ("E&E") expenses

	Three months ended 31 December	
	2018 $'000	**2017 $'000**
Exploration and evaluation expenditure	**3,900**	5,728
Less: amounts classified to mines under construction	**(3,964)**	-
Exploration and evaluation expense	**(64)**	5,728

E&E costs for the three-month period ended 31 December 2018 of $758,000 were expensed ($20,002,000 in comparative period which includes 12 months, and $10,002,000 for the six months ended 31 December 2017). Overall E&E expenditure in the quarter ($3,900,000) was below the comparative quarter ($5,728,000) as activities at the Sanbrado transitioned from exploration to construction. The lower E&E expense is due to the change in accounting classification of these costs following the issuance of the updated exploitation permit for the Sanbrado gold project on 18 July 2018. $3,964,000 of E&E costs incurred on the Sanbrado mining licence were capitalised to 'Mines under construction' in the quarter, after the decision was made to proceed with development of the Sanbrado gold project following receipt of the updated mining licence.

LIQUIDITY AND CAPITAL RESOURCES

Until the start of production at Sanbrado, which is expected in third quarter of 2020, the only revenue earned by the Group will be interest earned on money market deposits. The Group's operational and investing activities during the period were financed by the carry-over of cash from the $35 million equity raising in May 2018 plus the cash inflow provided by the $43.2 million equity raising on 14 December 2018.

Cash increased from $42,565,000 at the start of the period to $66,355,000 at 31 December 2018 mainly due to a $40,066,000 net cash inflow from financing activities, partially offset by a $4,230,000 net cash outflow from operating activities, and a $11,871,000 net cash outflow from investing activities. Cash usage in operating activities in the period mainly represents non-Sanbrado exploration expenditure and corporate administration. Cash usage in financing activities in the period mainly represents Sanbrado construction and E&E expenditure. The Cash inflow from financing activities reflect a $43,175,000 equity raising completed in December, partially offset by $2,043,000 of share issue costs and $1,066,000 of borrowing costs. The Company had a working capital balance of $57,516,000 as at 31 December 2018.

On 5 December 2018, West African announced a credit approved Debt Facility for Sanbrado construction with Taurus Funds Management Pty Ltd (Taurus). The key terms of the Debt Facility include:

- US$200,000,000 debt facility;
- 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;
- offtake agreement for 1.25 million ounces of gold pursuant to which the Company will receive the prevailing spot gold price subject to an agreed price quotation period. West African Resources retains the right to buy back the remaining balance of the offtake rights at any time on pre-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; and
- West African Resource's first drawdown of the Debt Facility is expected to occur in April 2019.

Company expects first drawdown of its Taurus debt facility to occur in April 2019.

The Company forecasts to expend approximately $31.1 million in the March 2019 quarter. The expenditures will be for construction works on the Sanbrado gold project, corporate administration and maintenance of exploration tenements.

Management is confident that the current working capital and existing cash, plus the planned drawdown of funds under the Taurus debt facility will be sufficient to fund forecasted activities for 2019, including sustaining Sanbrado project development, planned exploration expenditure, and general and administrative activities.

Capital commitments

The Group had the following capital commitments as at 31 December 2018, and at the end of the comparative period, which relate to the development of the Sanbrado Gold Project. All capital commitments will be settled within the next 12 months.

	Consolidated	
	31 December 2018 $'000	30 June 2018 $'000
Due within 1 year	**22,336**	-
Due after 1 year but not more than 5 years	**-**	-
Due after 5 years	**-**	-
	22,336	-

Office lease commitments

In addition to the above-mentioned capital purchase commitments, the Group had the following operating lease commitments as at end of the 31 December 2018 and the comparative period, which relate to real estate property leases.

	Consolidated	
	31 December 2018 $'000	30 June 2018 $'000
Due within 1 year	**307**	-
Due after 1 year but not more than 5 years	**266**	-
Due after 5 years	**-**	-
	573	-

Exploration tenement commitments

The Group also has the following estimated financial obligations as at end of the quarter and the comparative quarter for payment of surface area fees and minimum exploration work on exploration licences held. These obligations reduce over time based on the expiry date of the exploration licences.

	Consolidated	
	31 December 2018 $'000	30 June 2018 $'000
Due within 1 year	**697**	684
Due after 1 year but not more than 5 years	**539**	833
Due after 5 years	**-**	-
	1,236	1,517

Off-balance sheet arrangements

There are no off-balance sheet arrangements as at 31 December 2018.

SUMMARY OF SELECTED QUARTERLY FINANCIAL INFORMATION

	3-months ended 31-Dec-18 $'000	3-months ended 30-Sep-18 $'000	3-months ended 30-Jun-18 $'000	3-months ended 31-Mar-18 $'000	3-months ended 31-Dec-17 $'000	3-months ended 30-Sep-17 $'000	3-months ended 30-Jun-17 $'000	3-months ended 31-Mar-17 $'000
Revenue	202	203	(75)	68	162	38	60	45
Net loss attributable to shareholders	(1,269)	(1,565)	(8,025)	(4,086)	(8,493)	(4,771)	(5,501)	(2,677)
Loss per share, basic and diluted	(0.175)	(0.230)	(1.259)	(0.705)	(1.468)	(0.883)	(1.123)	(0.553)

Other than the last two quarters, the relative size of the net loss attributable to shareholders mainly reflected the relative amount of E&E expenditure in the quarter. E&E expenditure related to the Sanbrado gold project since the issue of the updated Sanbrado exploitation permit on 18 June 2018, has been capitalised to 'Mines under construction', thus reducing the net loss in those periods.

The Company has not paid any dividend in any financial reporting period.

SHARE CAPITAL INFORMATION

As at 28 March 2019, there are 864,400,727 ordinary shares on issue and 17,178,201 unlisted stock options. Options are shown in the below table.

Date of issue	Exercise Price	Expiry date	Number of Options
03-Jun-16	$0.1000	03-Jun-19	1,000,000
03-Jun-16	$0.1500	03-Jun-19	1,000,000
21-Mar-17	$0.2400	21-Mar-20	400,000
12-May-17	$0.2400	12-May-20	500,000
24-Jul-17	$0.3200	24-Jul-19	1,078,125
18-Oct-17	$0.3750	18-Oct-20	750,000
03-Nov-17	$0.2400	09-Nov-20	2,750,000
29-Mar-18	$0.4100	29-Mar-21	1,250,000
26-Sep-18	$0.3100	26-Sep-21	500,000
28-Nov-18	$0.3100	28-Nov-21	1,000,000
28-Dec-18	$0.3200	28-Dec-21	2,500,000
28-Dec-18	$0.0000	28-Dec-21	1,022,565
28-Dec-18	$0.0000	28-Dec-23	944,167
28-Dec-18	$0.4300	28-Dec-22	1,223,828
15-Feb-19	$0.0000	14-Feb-21	259,516
05-Mar-19	$0.2950	05-Mar-22	1,000,000
Total			**17,178,201**

TRANSACTIONS WITH RELATED PARTIES

Controlled entities

The consolidated financial statements include the financial statements of West African Resources Limited and the subsidiaries listed in the following table.

		Percentage Owned	
		30-Sep-18	30-Jun-18
	Country of	(unaudited)	(audited)
Controlled entities	**incorporation**	**%**	**%**
Parent Entity:			
West African Resources Ltd	Australia		
Subsidiaries of West African Resources Ltd:			
Wura Resources Pty Ltd SARL	Burkina Faso	**100**	100
West African Resources Development SARL	Burkina Faso	**100**	100
Channel Resources Ltd	Canada	**100**	100
which owns			
Channel Resources (Cayman I) Ltd	Cayman Islands	**100**	100
which owns			
Channel Resources (Cayman II) Ltd	Cayman Islands	**100**	100
which owns			
Tanlouka SARL	Burkina Faso	**100**	100
Societe des Mines de Sanbrado SA [1]	Burkina Faso	**90**	90

[1] The remaining 10% of Société des Mines de Sanbrado SA is held by the Burkina Faso Government which is entitled to a free carried 10% interest in the project.

The Company finances the operations of all of its subsidiaries and thus these companies will have unsecured borrowings from the Company that are interest free and at call. The ability for these controlled entities to repay debts due to the company (and other parties) will be dependent on the commercialisation of the mining assets owned by the subsidiaries.

Related party transactions

During the period, the Group did not enter into any transactions with related parties other than compensation of key management personnel and the following transactions and balances:

	31 Dec 2018 $'000	30 June 2018 $'000
Directors		
Transaction: Fees paid to Dorado Corporate Services Pty Ltd which has provided company secretarial and accounting services to the company on normal commercial terms, for whom Mr Storm, Director and Company Secretary, is a director and shareholder. This excludes fees included as remuneration noted under 5	**18**	52
Balance: Amount payable to Dorado Corporate Services Pty Ltd at balance date $14,967 (30 June 2018: $8,780).		
Transaction: Loan advance of $290,000, bearing interest at 5.5%, provided to the Managing Director on arm's length terms, to fund the exercise of 2,000,000 options at 14.5 cents, with maturity date of 31 December 2018.	**304**	296
Balance: Amount receivable at balance date $303,723 (30 June 2018: $295,682)		
Transaction: The Managing Director's spouse has provided office premises to the Company for $440 per week at 14 Southbourne Street, Scarborough, Western Australia until 28 October 2018.	**11**	21
Balance: Amount payable to Managing Director's spouse at balance date $Nil (30 June 2018: $3,960).		
Transaction: Fees paid to Ausdrill Ltd. The Chairman, Mr Connelly was a director of Ausdrill Ltd (resigned June 2018) which through its wholly owned subsidiary, African Mining Services Burkina Faso SARL, has provided exploration drilling services to Société des mines de Sanbrado SA, Wura Resources Pty Ltd SARL and Tanlouka SARL on normal commercial terms. Mr Connelly is not party to any of these commercial negotiations. This excludes fees included as remuneration noted under B.	**-**	2,375
Balance: Amount payable to Ausdrill Ltd at balance date $Nil (30 June 2018: $2,374,764).		
	333	2,744

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial Statements required Management to make estimates and assumptions about the future that affect the amounts recorded in the Financial Statements. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the year of change and future years.

Critical judgments in applying accounting policies

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," and as such has determined that the functional currency of each entity of the Group is as follows.

- West African Resources Limited (parent entity): the Australian dollar,
- Wura Resources Pty Ltd SARL: the Communauté Financière Africaine francs ("FCFA")
- West African Resources Development SARL: FCFA
- Channel Resources Ltd: the Canadian dollar
- Channel Resources (Cayman I) Ltd: the United States dollar ("USD")
- Channel Resources (Cayman II) Ltd: USD
- Tanlouka SARL: FCFA
- Societe des Mines de Sanbrado SA: FCFA

Exploration and evaluation ("E&E") expenditure

Under the Company's accounting policies, E&E costs are expensed as incurred until a decision has been made to proceed with development in respect of a particular area of interest, following which all future E&E costs are recorded as a development asset. Management has determined that following the issuance of the updated exploitation permit for the Sanbrado gold project on 18 July 2018, E&E costs related to the Sanbrado mining licence are recorded as a development asset and are added to 'Mines under construction', which is a sub-category of 'Mine properties'.

Minority interest

Following the Group's decision to commence development of Sanbrado, the Group identified a change in estimate of the 10% minority interest of Société des Mines de Sanbrado SA's accumulated losses. Based on the fact these losses are now likely to be recoverable out of the Group's share of future profits, the minority interest has been brought to account in the statement of changes in equity as a transfer between owners.

Sources of estimation and uncertainty

Share-based compensation related to stock options

Management assesses the fair value of stock options and warrants, as disclosed the Financial Statements, using the Black-Scholes option pricing model. This model requires Management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, Management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

Management reviews its estimate of the useful life of property, plant and equipment on an annual basis and accounts for any changes in estimates prospectively.

NEW ACCOUNTING STANDARDS ISSUED AND ADOPTED BY THE COMPANY

During the period the Company adopted a new accounting policy in relation to mines under construction. The Company previously did not have an accounting policy related to mines under construction because of the relatively early stage of development of its exploration projects. With the advancement of the Company's Sanbrado gold project such a policy became necessary.

The new accounting policy for 'Mines under construction' is as follows:

Exploration and evaluation costs are added to 'Mines under construction', which is a sub-category of 'Mine properties', after a decision has been made to proceed with development in respect of a particular area of interest and such development receives appropriate approvals.

All subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After production starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines', which is also a sub-category of 'Mine properties'.

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2018. As a result of this review, the Group has initially applied AASB 9 from 1 July 2018. Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

AASB 9: Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised cost or fair value. They are carried at amortised cost if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available-for-sale investments now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2018 has not been restated.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

AASB 15: Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The Group has applied AASB 15 Revenue from Contracts with Customers for the first time in the current period. AASB 15 establishes a single comprehensive income for entities to use in accounting for revenue arising from contracts with customers.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. The core principle of AASB 15 is that it requires identification of distinct performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has adopted AASB 15 using the modified retrospective method of adoption (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Accordingly, the information presented for 30 June 2018 has not been restated. The effect of the application of AASB 15 has been applied to all contracts at date of initial application and there is no impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Other than the above, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

RISKS AND UNCERTAINTIES

The Company faces a range of risks and uncertainties. The below list is not all-inclusive as it pertains to significant conditions currently known to management. There can be no guarantee or assurance that other factors known or unknown will not adversely affect the Company. Refer also to the cautionary note regarding forward looking statements at the front section of this MD&A for further information of the risks facing the Company

The business of exploring for minerals and developing mines is both cyclical and with significant risks as listed below. Even though Management has to date been successful in its exploration activities, there is no assurance that the Company's projects will become economically viable or sustainable. The Company has previously never developed a mine nor managed an operating mine. After a potential economic deposit is identified, the Company's ability to develop a profitable mining operation is subject to a host of variables including technical considerations, regulatory and political issues and economic factors (including the need to source the capital required to develop the project). Many of these are beyond the control of the Company. The significant risks and uncertainties faced by the Company include:

- West African's ability to successfully establish mining operations and profitably produce gold;
- Potential for the Company to become subject to additional tax liabilities;
- Permitting and license risks;
- Variability in the price of gold;
- The Company's operations in Burkina Faso may face changes in regulations or shifts in the political attitudes, which are beyond WAF's control, and which may adversely affect the Company's business operations. Such changes could also adversely affect the Company's perception within the financial and share markets and therefore could have an adverse impact on the Company's ability to raise funds and/or its share price.
- The speculative nature of resource exploration and development projects;
- Potential changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation;
- Potential changes to the mining code of Burkina Faso, tax laws, and related government guarantees or stabilization agreements thereof and the ability of the Company to dispute any changes that may negatively impact the value of the project and shareholder returns;
- The accuracy of West African's mineral resource and reserve estimates;
- The fact that West African has a history of losses and expects to incur losses until the Sanbrado gold mine is in commercial production;
- West African's reliance on its Management team;

- The availability of local labour, local and outside contractors and equipment when required to carry out exploration and development activities;
- The Company's ability to finance the development of its mineral projects;
- The Government of Burkina Faso's interests in the subsidiary of West African holding the mining permit;
- Health risks associated with the mining workforce in Burkina Faso;
- Environmental risks;
- Operational risks and hazards inherent in the mining industry in Burkina Faso including the security and protection of its employees against unforeseen events and terrorism;
- The potential inability to maintain the infrastructure necessary to carry out mining, processing, development and exploration activities;
- The Company's property interests are held in areas in Burkina Faso that have historically been mined by artisanal miners;
- Public scrutiny and monitoring faced by mining companies of their activities to demonstrate that operations will benefit local governments and communities surrounding projects;
- Impact of evolving anti-corruption laws;
- Title risk, including renewals and application delays.
- The potential unavailability of insurance to cover certain risks;

In addition to the above factors, the following financial risks could adversely affect the Group's financial assets, liabilities or future cash flows:

- Foreign currency risk;
- Market price risk;
- Liquidity risk; and
- Credit risk.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's Managing Director ("MD") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of internal controls over financial reporting ("ICFR") as such term is defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52- 109")), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. The Company's CEO and CFO are also responsible for the design and effectiveness of disclosure controls and procedures ("DC&P", as such term is defined in NI 52-109) to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The MD and CFO have each evaluated the design and operating effectiveness of the Company's DC&P and ICFR as of December 31, 2018 and, in accordance with the requirements established under NI 52-109, the CEO and CFO have each concluded that these controls and procedures have been designed and operate to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company and that the information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed, summarized and reported within the time period specified in those rules.

During the three months and year ended December 31, 2018, there were no changes in the Company's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

NI 43-101 AND QUALIFIED / COMPETENT PERSON STATEMENTS

Information in this MD&A that relates to exploration results, exploration targets, mineral resources, mineral reserves or other scientific and technical information related to the Sanbrado Project 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 and approved the contents of this MD&A related to the foregoing and consents to the inclusion in this MD&A of all scientific and technical statements based on his information in the form and context in which they appear.

Information in this MD&A 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 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 and approved the contents of this MD&A related to the foregoing and consents to the inclusion in this MD&A of all technical statements based on his information in the form and context in which they appear.

Information in this MD&A 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 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 and approved the contents of this MD&A related to the foregoing and consents to the inclusion in this MD&A of all technical statements based on his information in the form and context in which they appear.

Any other information in this MD&A that relates to exploration results, exploration targets or mineral resources 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 CP as defined in JORC Code and a QP under National Instrument 43-101. Hyde has reviewed and approved the scientific and technical information and contents of this presentation, and consents to the inclusion in this presentation of the statements based on his information in the form and context in which they appear

The Company has also filed a National Instrument 43-101 (NI 43-101) Technical Report titled "Open Pit and Underground Feasibility Study, Sanbrado Gold Project, Burkina Faso", with an effective date of 25 April 2018, which contains further information regarding mineral resource and reserve estimation, QA/QC procedures, data verification and other information regarding the Sanbrado Gold Project.

PRODUCTION TARGETS

This MD&A contains information related to production targets. The information and production target presented in this MD&A are based on a feasibility study for the Sanbrado Gold Project, Burkina Faso. The Company has concluded that it has a reasonable basis for providing the forward-looking statements (including the production targets) included in this MD&A. The detailed reasons for that conclusion are outlined throughout this MD&A and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based were disclosed in the ASX/TSXV announcement on 22nd June 2018. In relation to production targets, this MD&A has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. 100% of the production target referred to in this MD&A is based on Probable Reserves category. The stated production target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish further confidence that this target will be met. The Company believes it has a reasonable basis to expect to be able to fund and develop the Sanbrado Gold Project for the reasons set out above. However, there is no certainty that the Company can raise funding when required.