



Press Release

31 July 2019

JUNE 2019 QUARTERLY REPORT

Gold developer West African Resources Limited (ASX: WAF) is pleased to report progress on its Sanbrado Gold Project ("Sanbrado"), Burkina Faso, for the quarter ending 30 June 2019.

Highlights

Sanbrado Gold Project

Project Development

- ✓ Construction and engineering activities at Sanbrado remain on budget and schedule approximately 45% complete
- ✓ Boxcut, portal complete and underground decline advanced 80m at end of period
- ✓ All major construction contracts awarded, detailed engineering is 99% complete
- ✓ First gold pour on track for mid-2020

Grade Control Drilling

- ✓ Grade control drilling at M5 confirms interpretation and grade estimation in the M5 gold resource
- ✓ Significant results include:
 - 27m at 14 g/t Au from 2m, including 8m at 45.1 g/t Au
 - 29m at 13.2 g/t Au from surface, including 18m at 18.2 g/t Au from 11m
 - 28m at 6.2 g/t Au from surface, including 13m at 11.3 g/t Au from 4m
 - 20m at 7.8 g/t Au from surface, including 3m at 41 g/t Au from 16m
 - 25m at 6.2 g/t Au from surface, including 15m at 9.6 g/t Au from surface
 - 8m at 13.1 g/t Au from surface, including 3m at 33.8 g/t Au

June 2019 Corporate Summary

- ✓ A\$51.1m project expenditure in the quarter
- ✓ A\$0.7m administration costs in the quarter
- ✓ A\$79.3m cash and equivalents available at 30 June 2019
- ✓ US\$75m drawn under US\$200m Taurus finance facility

September 2019 Quarter Plans

- ✓ Award of open pit mining contract
- ✓ Erection of structural steel for plant
- ✓ Completion of Sanbrado camp - 270 rooms
- ✓ Completion of all site buildings
- ✓ Completion of all resettlement housing
- ✓ Completion of Tailing Storage Facility (TSF) earthworks on cell 1
- ✓ Continuation of M1 South decline
- ✓ Fill water storage facility (WSF)
- ✓ Delivery of all mill components to site

Sanbrado Gold Project

Safety

During the period the Company recorded its first lost time injury (LTI) when a subcontractor sustained a serious finger injury while unloading steel bars. The subcontractor subsequently returned to a normal work routine the following week.

At the end of the period the project had recorded 961,190 man hours, 529,133 hours LTI free, with an average of some 940 workers on site.

At the time of reporting 1,190,689 man hours had been worked on the project with 758,632 hours LTI free and the Lost Time Injury Frequency Rate (LTIFR) at 0.84 and trending downwards.

Project Development

During the period West African provided updates on construction progress at Sanbrado. At the end of the period the overall project was 45 percent complete, with Stage 1 infrastructure earthworks and civil construction complete, 21km powerline, pipeline and water dam complete, erection underway of the carbon-in-leach (CIL) tanks and underground decline advanced more than 80m.

Award of major construction contracts is nearly complete and detailed engineering is 99 percent completed.

Construction on the process plant is progressing well, with concrete foundations for the CIL tanks, SAG and ball mill and reclaim chamber all poured, and crusher and SAG mill heads and trunnions delivered safely to site.

West African's 270-person camp is more than 50 per cent complete, with five 30-man accommodation units completed and work ongoing on units 6 to 9. The medical clinic, police and security buildings and camp wall were all completed during the quarter. The camp kitchen and mess were also completed and operational.

Photos showing the construction progress are shown below.



Photo 1: General site layout. 1.5M m³ WSF in background



Photo 2: Process plant area. CIL tanks, milling and thickener areas.



Photo 3: 500m x 500m lined 1.5M m³ WSF. Pumping in progress see bottom right corner.



Photo 4: 21km power, pipeline (buried) and access road to the Nakambe River completed.



Photo 5: Reclaim tunnel and pebble crusher pad.



Photo 6: Power station, HFO storage area.



Photo 7: Decline advancement at M1 South.



Photo 8: Sanbrado camp, mess and kitchen (foreground).



Photo 9: Wet mess, swimming pool and recreational area.



Photo 10: New homes built for resettlement

Drilling and Exploration

M5 Drilling

In June, West African reported assay results from its maiden grade control (GC) drilling program from its M5 deposit. GC holes targeted early production tonnes from near-surface mineralisation within the M5 stage 1 oxide open pit.

Initial drilling was completed on a nominal 12.5m by 12.5m pattern over the stage 1 pit area, with two areas of tighter spaced 12.5m by 6.25m spaced drilling to test the independently prepared April 2019 Mineral Resource Estimate (MRE) (see Figure 1).

Drilling has upgraded the confidence level in both the interpretation as well as gold grade estimation in the upper 20m of the deposit. This maiden program covers the first six months of the M5 scheduled open pit ore.

Highlights from M5 GC drilling during the period included:

- 27m at 14 g/t Au from 2m*, including 8m at 45.1 g/t Au
- 29m at 13.2 g/t Au from surface*, including 18m at 18.2 g/t Au from 11m
- 29m at 5 g/t Au from surface*, including 3m at 19.1 g/t Au from 4m
- 29m at 3.9 g/t Au from surface*, including 3m at 13.9 g/t Au
- 8m at 13.1 g/t Au from surface, including 3m at 33.8 g/t Au
- 29m at 3.5 g/t Au from surface*, including 5m at 14.4 g/t Au
- 29m at 3.5 g/t Au from surface*, including 2m at 38.7 g/t Au
- 29m at 2.9 g/t Au from surface*
- 28m at 6.2 g/t Au from surface, including 13m at 11.3 g/t Au from 4m
- 20m at 7.8 g/t Au from surface, including 3m at 41 g/t Au from 16m
- 25m at 6.2 g/t Au from surface, including 15m at 9.6 g/t Au from surface
- 23m at 5.6 g/t Au from surface*, including 6m at 16 g/t Au from 3m

* Denotes ends in mineralisation

Infill drilling at M5 encountered mineralisation wider than modelled in the April 2019 MRE over a number of sections through the central and northern portion of the M5 starter pit, with exceptional results that have significantly de-risked the start-up at Sanbrado.

Results confirmed extensive wide zones of soft free milling oxide ore of between 30m to 60m wide which will form the bulk of the mill feed during the commissioning and the first six months of production. Follow-up infill drilling has been planned and will be completed once drilling at other open pit areas has been completed. Currently drilling is ongoing at the M1 South open pit area. Drilling was completed at M5 in June, ahead of the start of mining of the stage 1 open pit in Q1 2020.

M1 South

West African commenced a grade control (GC) drilling program at the M1 South open-pit area in June, following completion of a maiden GC program at the M5 deposit. The first pass program was completed after the period in July, with follow-up grade control drilling being completed at M5.

Following the first pass grade control program over the M1 South open pit area, further drilling is scheduled for M5 in order to expand on this initial drill grid, as results to date appear to show several areas where mineralisation has been wider than interpreted in the April 2019 MRE.

Figure 1: M5 grade control drilling – hole location plan. Note cross section locations

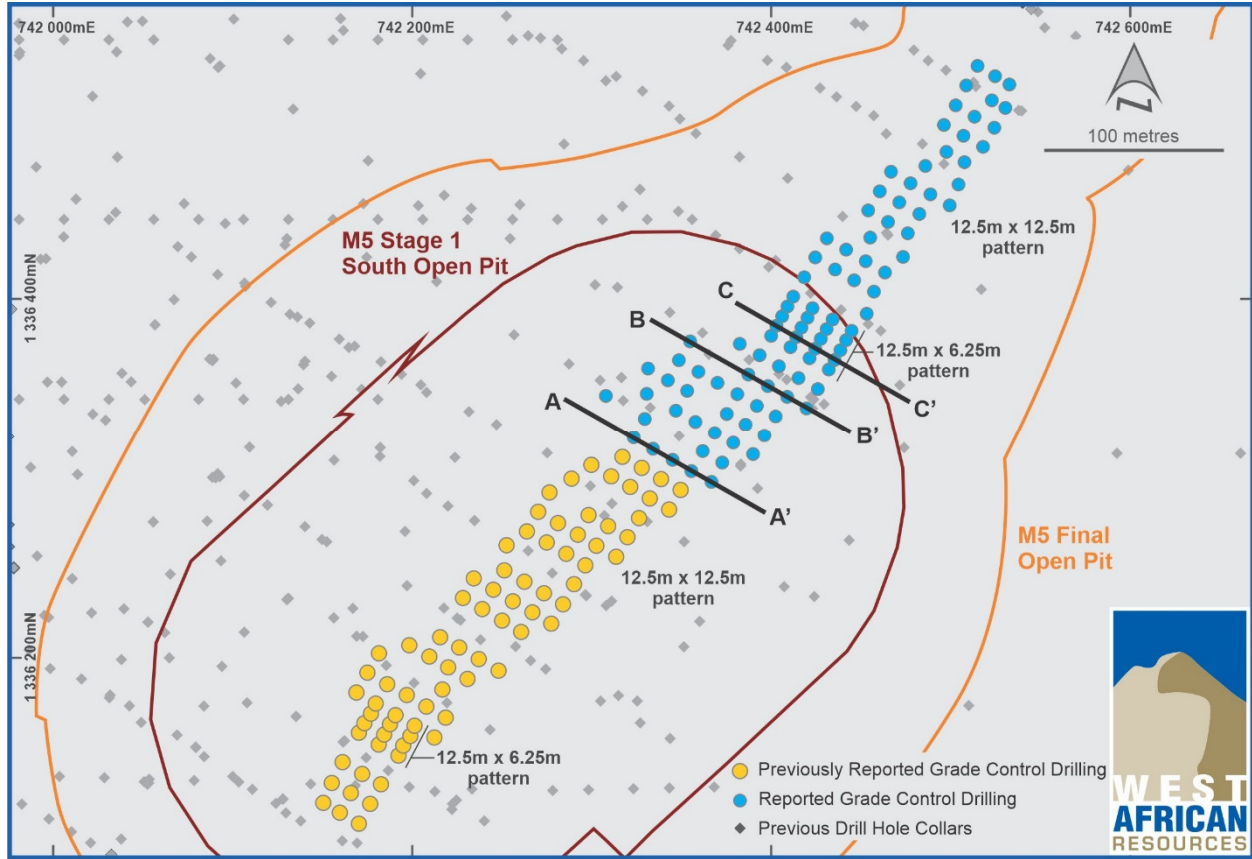


Figure 2: M5 grade control drilling – cross-section A-A'

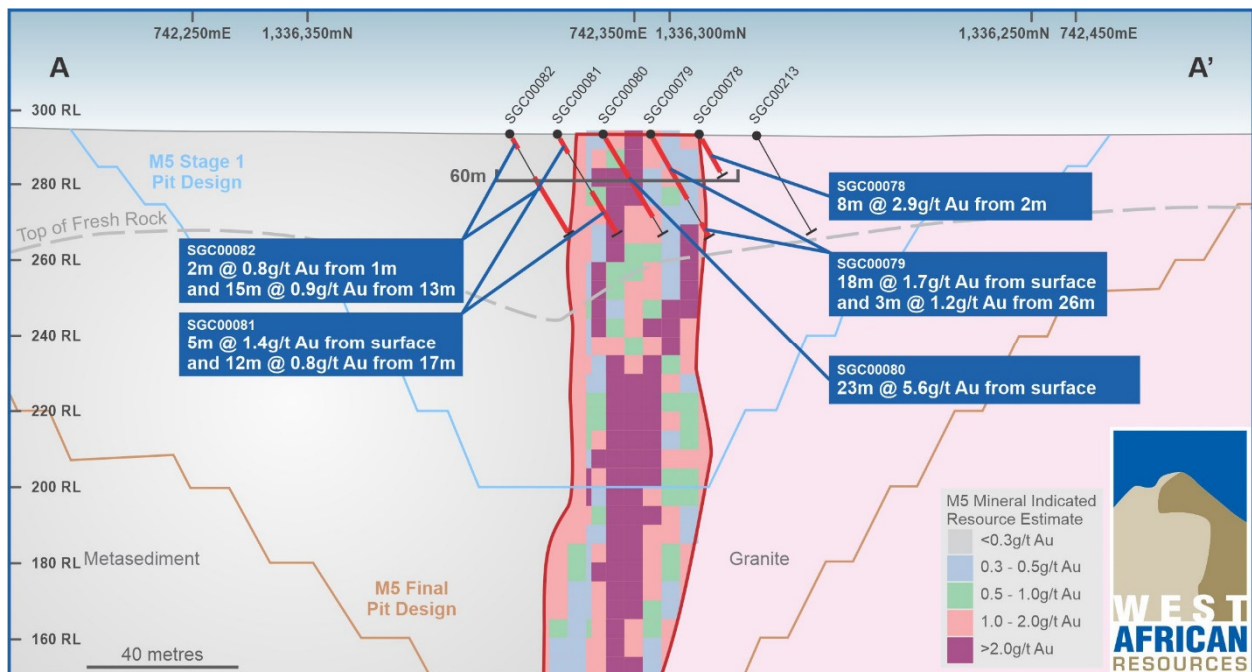


Figure 3: M5 grade control drilling – cross-section B-B'

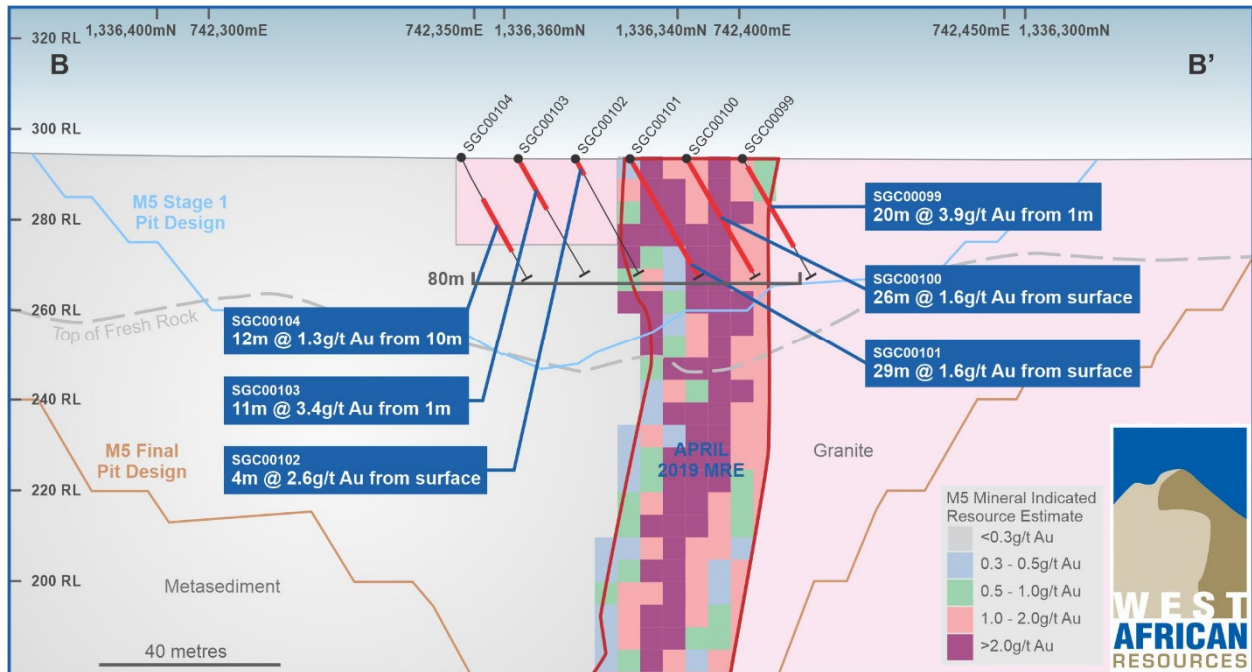
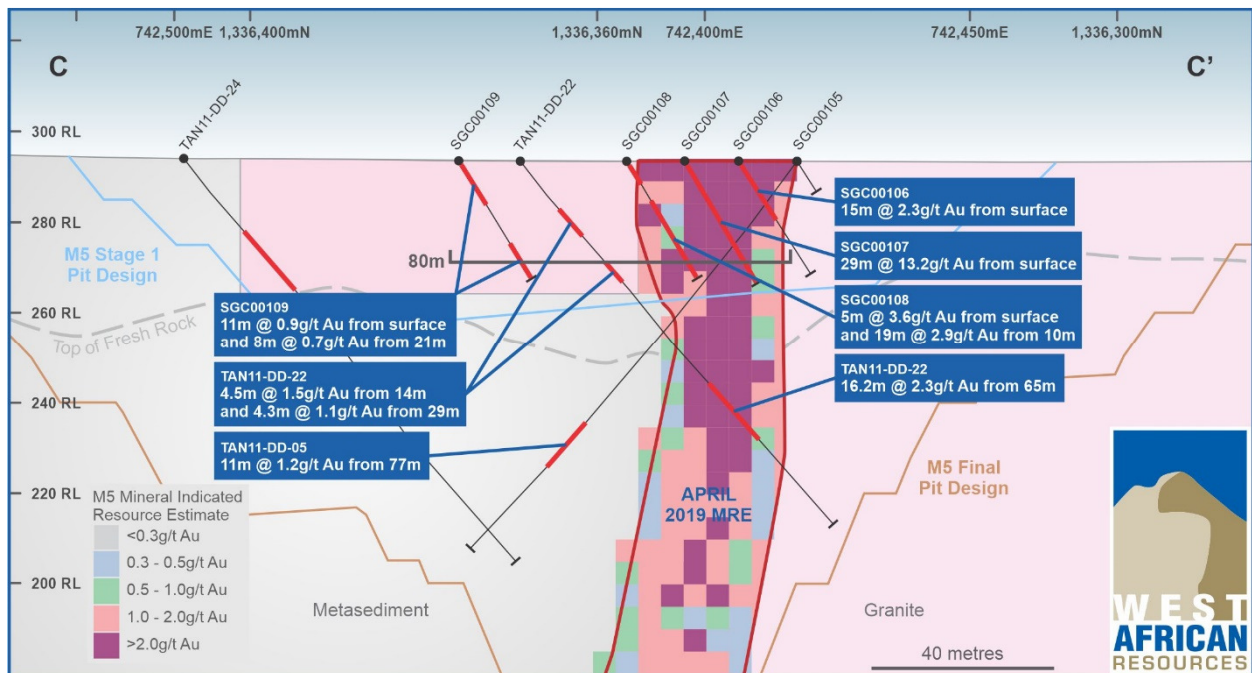


Figure 4: M5 grade control drilling – cross-section C-C'



Corporate

NI 43-101 Report

In May, West African announced it had filed a National Instrument 43-101 (NI 43-101) Technical Report following the feasibility study's release on 16 April 2019.

The independently authored Technical Report was prepared in accordance with NI 43-101 requirements and complies with the 2012 JORC Code.

AGM results

At West African's Annual General Meeting held in Perth on 31 May 2019, all four resolutions tabled at the meeting passed.

Resolutions were as follows:

1. Adoption of Remuneration Report (Non-Binding)
2. Re-election of Simon Storm as a Director
3. Approval of Additional 10% Placement Facility
4. Renewing the proportional takeover provisions as set out in the Company's constitution.

Expiry of Options

1,000,000 options with the code WAFAZ and an exercise price of 10.0 cents and 1,000,000 options with the code WAFAZ and an exercise price of 15.0 cents expired on 3 June 2019.

First drawdown under Taurus Facility

The first \$US75 million drawdown under the US\$200 million secured finance facility (Facility) with Taurus Funds Management Pty Ltd (Taurus) was completed in April 2019. Subsequent drawdowns under the Facility remain subject to satisfaction of customary conditions precedent.

Other Projects

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

Further information is available at www.westafricanresources.com

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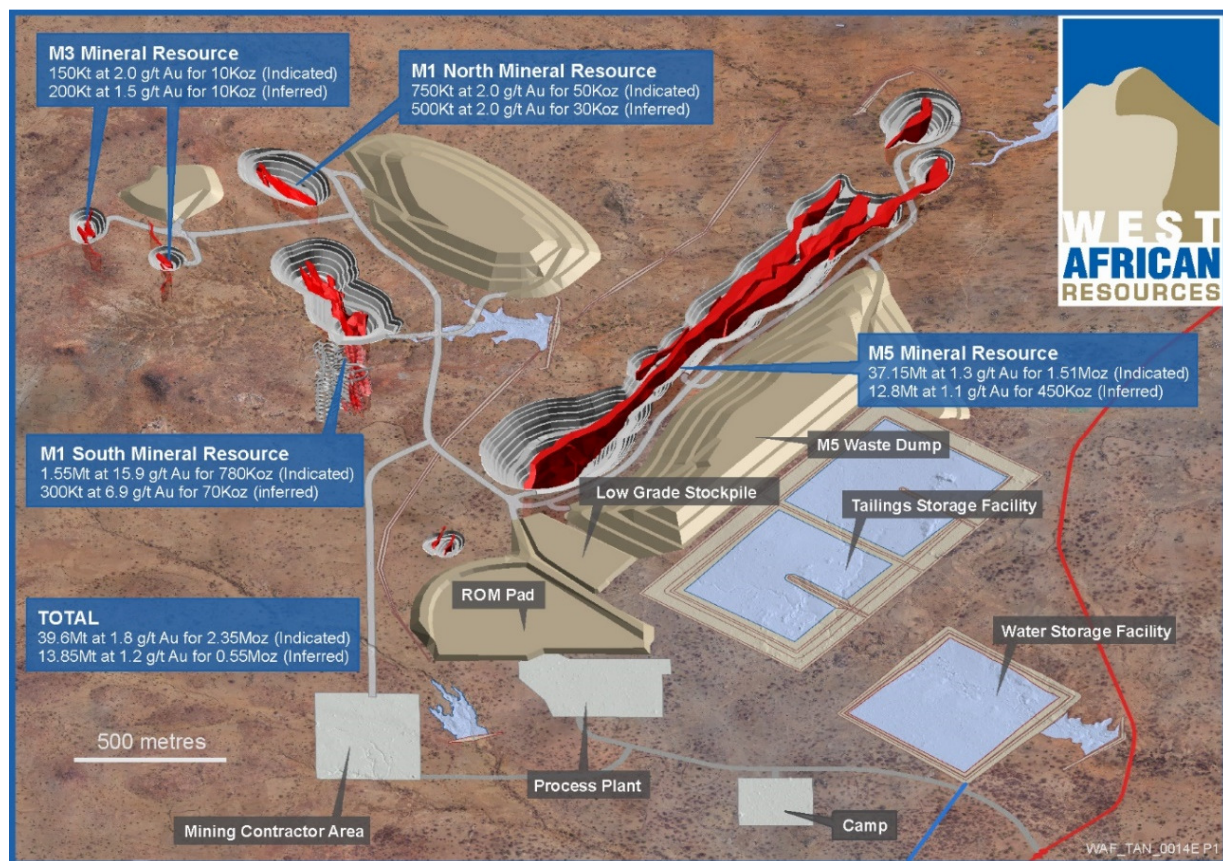
Summary of Tenements in Burkina Faso at 30 June 2019

Summary of Tenements in Burkina Faso								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
Damongto	Wura Resources Pty Ltd SARL	100%	No 2018-184/MMC/SG/DGCM	05/09/2018	1/03/2021	EL	26	Ganzourgou Province
Goudré	Wura Resources Pty Ltd SARL	100%	No 2018-186/MMC/SG/DGCM	05/09/2018	23/03/2021	EL	175	Ganzourgou Province
Manessé	Tanlouka SARL	100%	N2017/014/MEMC/SG/DGCMIM	13/01/2017	13/01/2020	EL	90,35	Ganzourgou Province
Sartenga	West African Resources Development SARL	100%	No 2018-190/MMC/SG/DGMC	05/08/2017	04/08/2020	EL	130.7	Namentenga Province
Toghin	Wura Resources Pty Ltd SARL	100%	No 17 - 182/MMC/SG/DGCM	18/07/2017	17/07/2020	EL	166	Ganzourgou, Provinces
Vedaga	Wura Resources Pty Ltd SARL	100%	No 17 - 232/MMC/SG/DGCM	18/07/2017	17/07/2020	EL	154.7	Gnagna, Kouritenga Provinces
Bollé	Wura Resources Pty Ltd SARL	100%	No 17 – 223//MMC/SG/DGCM	21/11/2017	20/11/2020	EL	205.5	Ganzourgou Province
Zam Sud	Wura Resources Pty Ltd SARL	100%	No 2018-183/MMC/SG/DGCM	05/09/2018	01/03/2021	EL	17.46	Ganzourgou Province
Sanbrado	Somisa SA (SOCIETE DES MINES DE SANBRADO SA)	90%	Décret No 2017 – 104/PRES/PM/MEMC/MINEFID/MEEV CC Arrêté No 2018-139/MMC/SG/DGMG	13/03/2017	12/03/2024	ML	25.9	Ganzourgou Province

About West African Resources

West African Resources Limited (ASX: WAF) announced the results of its updated Feasibility Study for the Sanbrado Gold Project in Burkina Faso in an announcement titled "West African to produce 300Koz gold in Year 1 at Sanbrado" on 16 April 2019. The study envisages an initial 10-year mine life, including 6.5 years of underground mining, with Probable Reserves to 1.7 million ounces (21.6Mt at 2.4g/t gold). The project will have average annual production over the first 5 years of mine life of 217,000 ounces gold and a 14-month post-tax pay back on US\$186 million pre-production capital costs. Project economics are robust, with AISC of <US\$600/oz over first 5 years and US\$650 over life of mine. Year 1 production is anticipated to be over 300,000oz gold from underground and open pit ores, at All-In Sustaining Costs of less than US\$500/oz. West African is fully funded with construction underway and first gold pour scheduled in mid 2020.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement titled "West African to produce 300Koz gold in Year 1 at Sanbrado" on 16 April 2019 and that all material assumptions and technical parameters underpinning the estimates of forecast financial information derived from the production targets, and the resource estimate, as outlined in that announcement, continue to apply and have not materially changed.



Qualified/Competent Person's Statement

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

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

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

Any other information in this announcement 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.

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including information relating to West African's future financial or operating performance that may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements.

In the case of West African Resources Ltd, 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 commencing in Q4 2018 with an 18 month 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 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 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 release 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 release. 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.

Production Targets

The information and production target presented in this announcement is based on a feasibility study for the Sanbrado Gold Project, Burkina Faso ("Feasibility Study").

The Company has concluded that it has a reasonable basis for providing the forward-looking statements (including the production targets) included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based were disclosed in the ASX announcement on 16 April 2019. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

100% of the production target referred to in this announcement 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.