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AMS APPOINTED PREFERRED OPEN-PIT MINING CONTRACTOR AT WEST AFRICAN RESOURCES' SANBRADO GOLD PROJECT

Diversified mining services company Ausdrill Limited (**ASX: ASL**) is pleased to announce its wholly owned subsidiary, African Mining Services ("**AMS**"), has been selected as preferred open-pit mining contractor by West African Resources Limited (**ASX: WAF**) at the Sanbrado Gold Project in Burkina Faso.

The Sanbrado Gold Project is a low-cost, high-grade operation located only 90 kilometres from the country's capital, Ouagadougou, and is the 14th commercial gold mine in Burkina Faso in 14 years. The project economics are robust, with Sanbrado forecast to have average annual production of 217,000oz gold at All-In Sustaining Costs of less than US\$600/oz in its first five years of mine life.

The AMS scope of work includes a full suite of open pit mining services – including site preparation, drill and blast, load and haul, and maintenance works – over a five year term, generating approximately AUD\$235 million in revenue under a schedule of rates contract.

AMS anticipates it will employ approximately 190 personnel at the project, with the workforce to be predominantly local. AMS expects to use a mix of new and existing equipment to deliver on the project.

AMS and West African Resources are in the process of finalising the contract terms, which will include the provision of an optional deferred payment arrangement for up to US\$10m at a commercial interest rate, with works expected to commence in early CY2020.

Ausdrill Group Managing Director, Mark Norwell, said: "A key focus for the new Ausdrill group has been to enhance our surface operations in Africa and target substantial growth opportunities across a range of commodities in select African countries. Being selected as preferred contractor at the Sanbrado Gold Project is a significant achievement and represents the excellent progress we are making in building on the suite of quality projects on which AMS operates in the region."

Ausdrill Surface CEO, Scott Winter, said: "Ausdrill has been operating in Africa for almost 30 years and we will draw on our leading expertise in open pit contract mining to deliver on this exciting new gold project for West African Resources."

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West African Resources Managing Director, Richard Hyde, said: “Sanbrado is the highest margin gold project in construction in West Africa and we are on target for approximately 300,000 ounces of gold in the first 12 months of production. We look forward to partnering with AMS to bring this fully funded project into production in mid-2020.”

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About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa, India and the United Kingdom. Ausdrill is a leader in open-cut and underground contract mining, diamond drilling, grade control, drill & blast, exploration, mineral analysis, procurement and logistics. The Ausdrill Group employs over 8,000 staff worldwide.

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