

## Press Release

20 January 2020



### West African Grants Incentive Awards

Gold developer West African Resources Limited (ASX: WAF) is pleased to announce that it has granted 3,691,215 incentive options to directors, officers and employees of the Company. The Issue of incentive options relate to the achievement of pre-agreed performance measures under the employee incentive scheme (EIS) for 2019, and to the 2020 performance targets, which are discussed in more detail below.

#### **2019 Performance Measures**

The 2019 Short Term Incentive (STI) milestones for the executives Richard Hyde (Executive Chairman and CEO), Lyndon Hopkins (Executive Director and COO), Pdraig O'Donoghue (CFO) and Matthew Wilcox (CDO) were the following:

*Gateway hurdle:* Completion of project finance, documentation and first debt drawdown

*Weighted hurdles:* If the gateway hurdle is achieved, the number of options that will vest will be determined by the board relative to the maximum considering the extent to which the following weighted hurdles are achieved:

- 20%: DFS update to mineral resources, reserves and project optimization
- 20%: Commencement of box cut, portal establishment and decline development
- 20%: Formal investment decision
- 20%: Detailed design and commencement of construction
- 20%: Lost Time Injury Frequency Rate (LTIFR) of less than 1, and trending downwards

All the above measures were achieved during 2019 and accordingly the performance vesting criteria for 100% of the STI options awarded in December 2018 have been met. The current LTIFR is 0.4 and trending downwards with more than 2.5 million man-hours worked during 2019.

We are pleased to advise that all of the executives have elected to receive the cash component of their 2019 STI entitlements in Zero Exercise Price Options (ZEPOs) instead of cash, with 879,184 being issued. Further, other WAF employees that were entitled to a 2019 STI cash bonus under the EIS were given the opportunity to receive their award in either cash or ZEPOS and as such a further 419,691 ZEPOS have been awarded to employees.

The STI ZEPOs relating to the 2019 cash awards have a 3-year term and will vest following 12 months continuous employment from date of issue. The value of the ZEPOs for the purpose of calculating the number of ZEPO's awarded in place of cash was determined using the volume weighted average price (VWAP) of WAF shares for the 7 trading days up to and including 31 December 2019, being A\$0.4180.

Shareholder approval will be sought for 334,927 of the 2019 STI ZEPO's that Executive Directors Richard Hyde and Lyndon Hopkins have elected to receive in place of the cash component of their STI entitlement.

## 2020 Performance Incentives

A further 813,396 STI ZEPOS, 789,472 Long Term Incentive (LTI) ZEPOs, and 789,472 LTI Premium Exercise Price Options (PEPOs) have been offered to key executives of the Company relating to targets that must be achieved during 2020 and beyond.

Of these 550,239 STI ZEPOS, 657,894 LTI ZEPOs, and 657,894 LTI PEPOs have been awarded to Executive Directors, Messrs Hyde and Hopkins, and will be awarded subject to shareholder approval being obtained at the next annual general meeting.

The Board, through recommendation from the Remuneration Committee, retains the right to vary the 2020 award offers in the event of there being an adjustment to executives' Total Fixed Remuneration (TFR) during the award period.

2020 STI ZEPO's: have a condition of 2-years of continuous employment from date of issue and expiry period of 3 years from date of issue. These 2020 STI ZEPOs have the following performance vesting conditions:

*Gateway hurdle:* Sanbrado reaches commercial production in 2020

*Weighted hurdles:* If the gateway hurdle is achieved, the number of 2020 STI ZEPO's that will vest will be determined by the board relative to the maximum considering the extent to which the following weighted hurdles are achieved:

- 30%: Sanbrado construction completed within board approved budget and schedule
- 30%: A minimum of 150,000 ounces of gold is poured in 2020
- 20%: There is no default of the Taurus loan facility agreement
- 10%: There are no significant social or environmental incidents
- 10%: The Sanbrado Total Injury Frequency Rate (TIFR) is less than the industry standard in Western Australia

2020 LTI ZEPOs: have the performance vesting condition of "at least 500,000 ounces of gold poured within 3 years of the date the LTI ZEPOs are issued" and will expire 5 years from date of issue.

2020 LTI PEPOs: are issued with an exercise price of 60.61c (145% of the VWAP of WAF shares for the 7 trading days up to 31 December 2019) and have a vesting condition of employment with the Company when the market price first equals the exercise price. They will expire 4 years from date of issue.

Further details are included in Appendix 3G lodged on the ASX.

This announcement is authorised for release by Mr Richard Hyde, Executive Chairman and CEO.

### For further information, contact:

Richard Hyde  
Executive Chairman and CEO  
Ph: 08 9481 7344

Nathan Ryan  
Investor Relations  
Ph: 0420 582 887

Email: [info@westafricanresources.com](mailto:info@westafricanresources.com)