

30 January 2015

ANNOUNCEMENT / MEDIA RELEASE

December 2014 Quarterly Report

- ✓ US\$5m facility executed with Macquarie to complete Feasibility Study
- ✓ Carbon-in-leach (CIL) potential confirmed at Mankarga 5, Burkina Faso
 - Diamond drilling beneath oxide starter pit reinforces potential for stage 2 CIL operation
- ✓ Column test work achieves recoveries of up to 90% gold, supporting plans for heap leach starter project approach

Drilling Results:

- ✓ Diamond drilling results received during the quarter:
 - TAN14-DD018: 26m at 2.89 g/t Au incl. 3m at 13.1 g/t Au from 190m
 - TAN14-DD020: 29m at 1.59g/t Au
 - TAN14-DD021: 2m at 28.17g/t Au from 56m and 11m at 3.30g/t Au from 80m
 - TAN14-DD022: 72m at 2.15g/t Au from 231m incl.;
 - 7m at 7.68g/t Au from 243m
 - 5m at 3.58g/t Au from 263m
 - 1m at 17.57g/t Au from 271m
 - 8m at 2.69g/t Au from 278m
 - 3m at 2.93g/t Au from 295m

December 2014 Quarter Summary:

- ✓ 6 metallurgical test work holes drilled, 1.5t metallurgical samples airfreighted to Perth
- ✓ ESIA study commenced, preliminary documentation submitted to Government
- ✓ \$0.82m Project Expenditure
- ✓ \$0.18m Administration Costs
- ✓ \$6.23m cash at bank at 31 December 2014

March 2015 Quarter Plans:

- ✓ Upgraded Mineral Resource Estimate and Pre-feasibility Study Results
- ✓ Commencement of Bankable Feasibility Study

West African Resources Limited (ASX, TSX-V: WAF) is pleased to report activities on its 100%-owned and 100%-earning gold and copper-gold projects in Burkina Faso, West Africa, for the quarter ending 31 December 2014.

Macquarie Bank Loan Facility

During the quarter the Company executed final documentation with the Metals & Energy Capital Division of Macquarie Bank Limited (Macquarie) for a two-year US\$5 million convertible loan facility (Facility). The executed documentation followed West African's announcement on 29 October 2014, that it had signed a committed term sheet for the US\$5 million facility subject to Macquarie finalising its due diligence and documentation process. Drawdown was completed on 23 December 2014.

The US\$5 million facility will provide all necessary funding to complete the Bankable Feasibility Study (BFS) for the Company's Mankarga 5 Heap Leach Gold Project in Burkina Faso. A scoping study, released in July this year, demonstrated Mankarga 5 to be a low capital cost, high margin, heap leach starter project.

The key terms of the Convertible Loan Agreement are as follows:

- Committed loan facility for up to US\$5 million, to be drawn down as a single loan.
- Cash interest is payable on the facility.
- Bullet repayment on the earlier of 30 September 2016 and the date on which WAF receives proceeds from a project financing or capital raising.
- Drawdown of the Facility was subject to a number of conditions, including the issue of 40,545,224 unlisted options (Options), exercisable at A\$0.14 on or before 30 September 2017 to Macquarie. Any funds received by WAF through the conversion of the Options will be applied against the outstanding Facility amount, reducing the outstanding debt owed to Macquarie.
- The Facility is secured against all assets of WAF and its wholly-owned subsidiary, Channel Resources Limited.
- The Convertible Loan Agreement contains other customary features, including customary representations and warranties, undertakings and events of default for facilities of this nature.

West African will be releasing an upgraded Mineral Resource Estimate and Pre-Feasibility Study (PFS) early in the March 2015 quarter, with a Bankable Feasibility Study expected to be completed in mid 2015. The Company anticipates completion of project finance arrangements for the construction and development of Mankarga 5 mid 2015.

Metallurgical Test Work

On 14 October West African reported metallurgical test work results from Mankarga 5 that demonstrated outstanding gold recoveries.

Highlights:

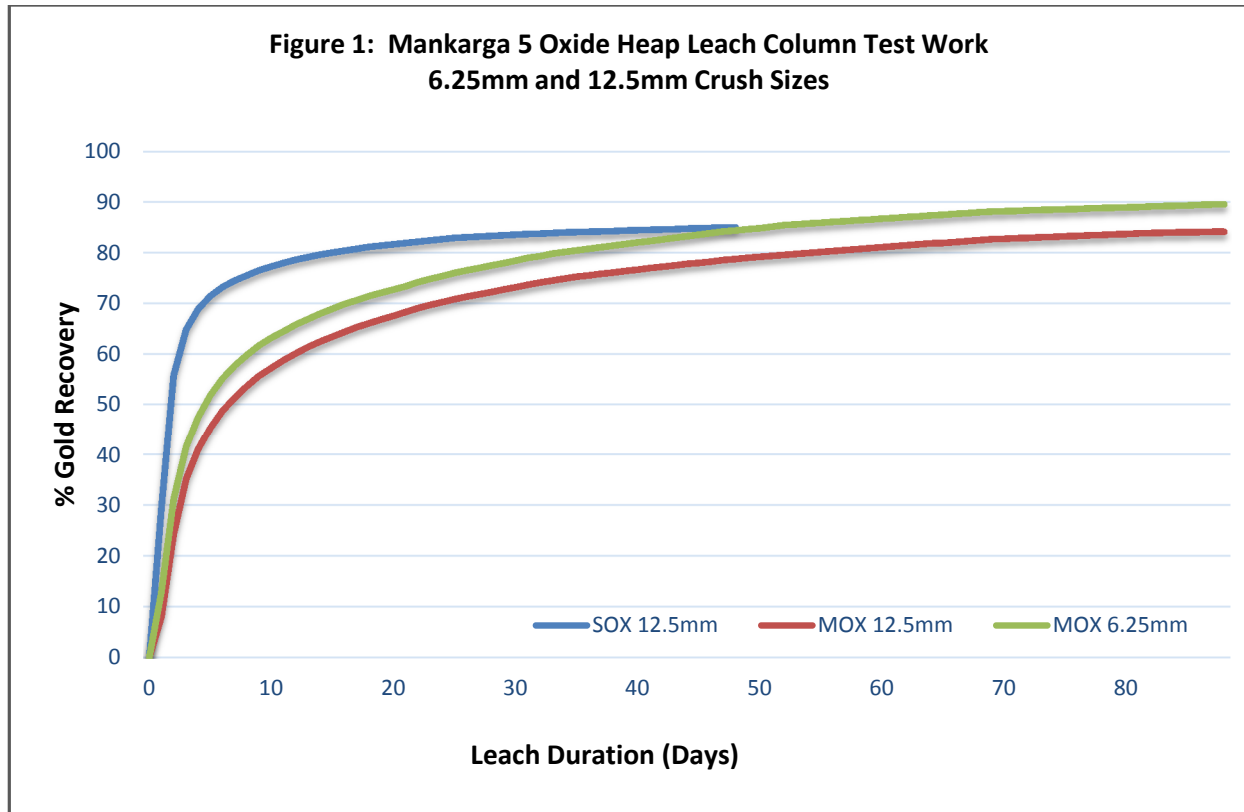
- Gold recoveries of up to 90% and averaging 86% in column test work.
- Gold recoveries from column test work confirm heap leach suitability of oxide ore at the Mankarga 5 deposit, Boulsa Gold Project, Burkina Faso.
- Rapid leach kinetics with strongly oxidised ore gold recoveries of 75% after 7 days.
- Gold recoveries for all ore types more than 50% after 7 days.
- Low to moderate cement addition of 5kg to 10kg per tonne.
- Low cyanide consumption of 0.2 – 0.4 kg/t NaCN.

- High percolation rates with low slumping.
- Very low Abrasion and Ball Mill Work Indices indicate that the wear rates and power consumption will be low to very low by industry standards.

Three column tests were completed on oxide ore from the Mankarga 5 deposit. Test work was completed at ALS Global in Perth on oxide composites from four metallurgical drill core holes which were sited at various locations in the Mankarga 5 deposit.

One column contained strongly oxidised ore (SOX) at 100% passing 12.5 mm crush at a cement dose of 10kg/t. Two columns contained moderately oxidised ore type (MOX) at 100% passing 12.5 and 6.25mm respectively at 5kg/t cement addition. All columns behaved well, showed rapid leach kinetics, high percolation rates and low slumpage. Based on data obtained from the 14 coarse feed intermittent bottle roll, three column tests and industry experience cyanide (NaCN) consumption is expected to be in the order of 0.2 - 0.4 kg/t.

Details regarding the column tests are summarised in Figure 1 and Table 1.



Test No	Crush Size P100 (mm)	Oxidation State	Cement Addition Kg/t	Overall % Gold Extraction	Leach Duration	Head Au (ppm)	Leach Residue Au (g/t)
JR1093	12.5	MOX	5	84.18	81	0.90	0.14
JR1094	12.5	SOX	10	85.06	41	1.05	0.16
JR1095	6.25	MOX	5	89.61	81	0.93	0.10

A series of percolation and agglomeration tests were also carried out on the SOX and MOX samples in preparation for column leach testing. Table 2 provides a summary of the results.

Table 2 - Mankarga 5 Project Agglomeration and Percolation Rates						
Sample	Crush	Cement kg/t	Slump %	Pellet Quality	pH of drainage	Percolation L/m²/h
SOX	12.5	5	9.8	Fail	9.75	1,300
SOX	12.5	7	5.3	Fair	9.48	18,750
SOX	12.5	10	0	Good	9.55	21,500
MOX	12.5	5	8.9	Good	9.55	27,000
MOX	6.25	5	7	Good	9.75	20,350

Based on this test work SOX sample requires more than 5kg/t of cement for adequate agglomeration whilst the MOX sample presented good characteristics at 5kg/t. The 10kg/t cement addition to the SOX material provided very good agglomerates and zero slump suggesting 10 kg/t is in excess of what would be required. All samples reported very high percolation rates after appropriate cement dosage.

Abrasion indices (Ai) and Ball Mill Work Indices (BWI) were determined for the MOX and fresh (FRS) samples. The MOX values can be expected to be higher than the SOX material, whilst the FRS result higher than the other three ore types, as the FRS composition has not been compromised by oxidation.

Both samples provided very low Abrasion and Ball Mill Work Indices. This suggests that all ore types will be able to be processed with conventional heap leach processing using the 1.6Mtpa heap leach plant as part purchased by the Company in February last year. Test work shows that equipment wear rates and power consumption associated with processing will be low to very low by industry standards.

During the quarter, six metallurgical test work holes were drilled. Approximately 1.5t of whole drill core was airfreighted to ALS Ammtec in Perth. Current test work programs are to be incorporated into the BFS.

Drilling Results

Diamond drilling results received during the quarter confirmed potential for a stage two carbon-in-leach (CIL) project at Mankarga 5, demonstrating excellent grade continuity beneath the proposed oxide starter pit that West African intends to treat by conventional heap leach processing. Results included:

- TAN14-DD018: 2m at 6.38 g/t Au from 185m, and 26m at 2.89 g/t Au incl. 3m at 13.1 g/t Au from 190m
- TAN14-DD020: 29m at 1.59g/t Au including 4m at 2.98g/t Au and 3m at 4.5g/t Au from 62m
- TAN14-DD021: 2m at 28.17g/t Au from 56m
- TAN14-DD021: 11m at 3.30g/t Au from 80m including 3m at 4.27g/t Au and 1m at 16.82g/t Au from 86m
- TAN14-DD022: 72m at 2.15g/t Au from 231m including;
 - 7m at 7.68g/t Au from 243m
 - 5m at 3.58g/t Au from 263m
 - 1m at 17.57g/t Au from 271m
 - 8m at 2.69g/t Au from 278m
 - 3m at 2.93g/t Au from 295m

Figure 2: Mankarga Summary Plan

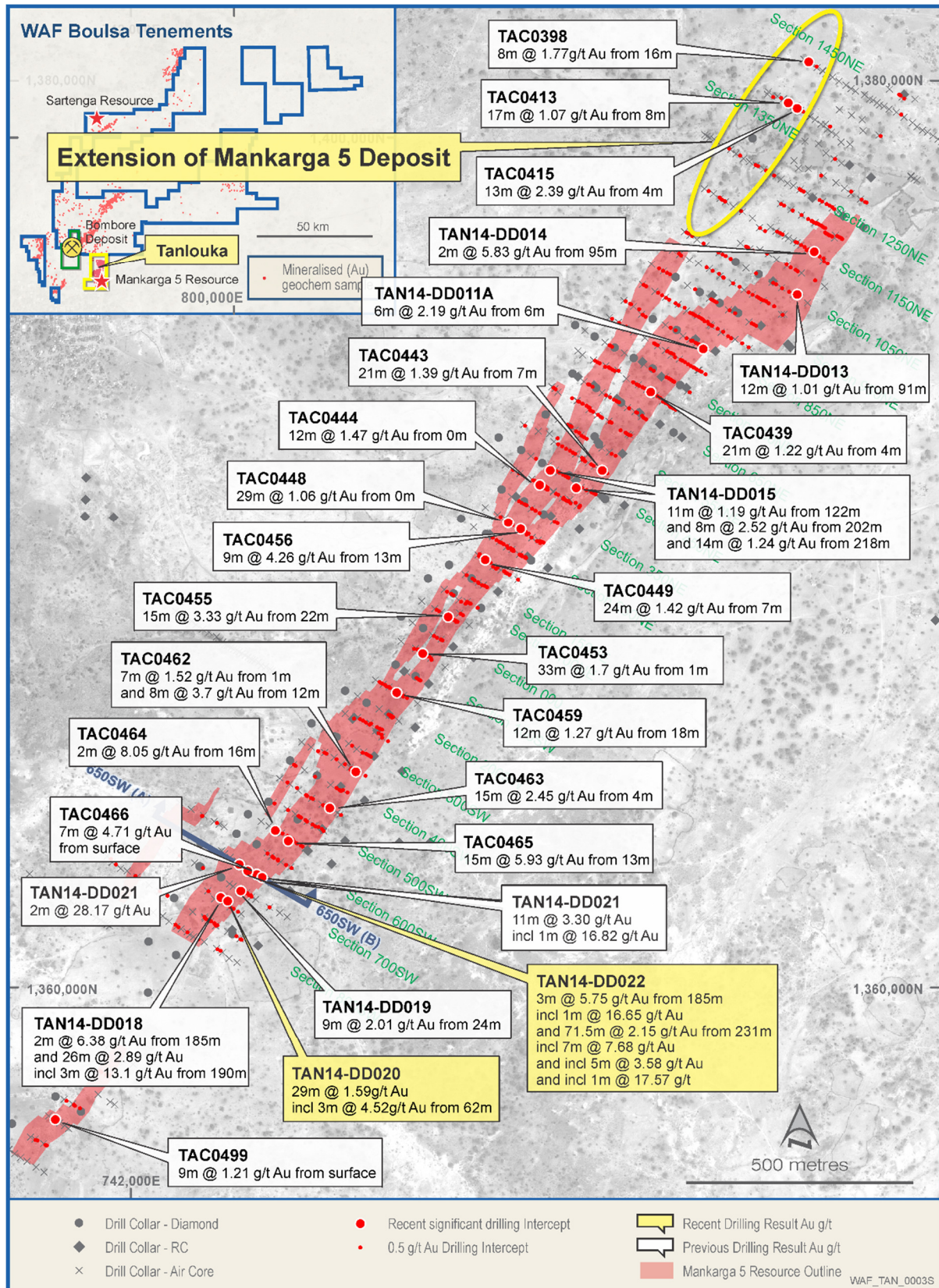
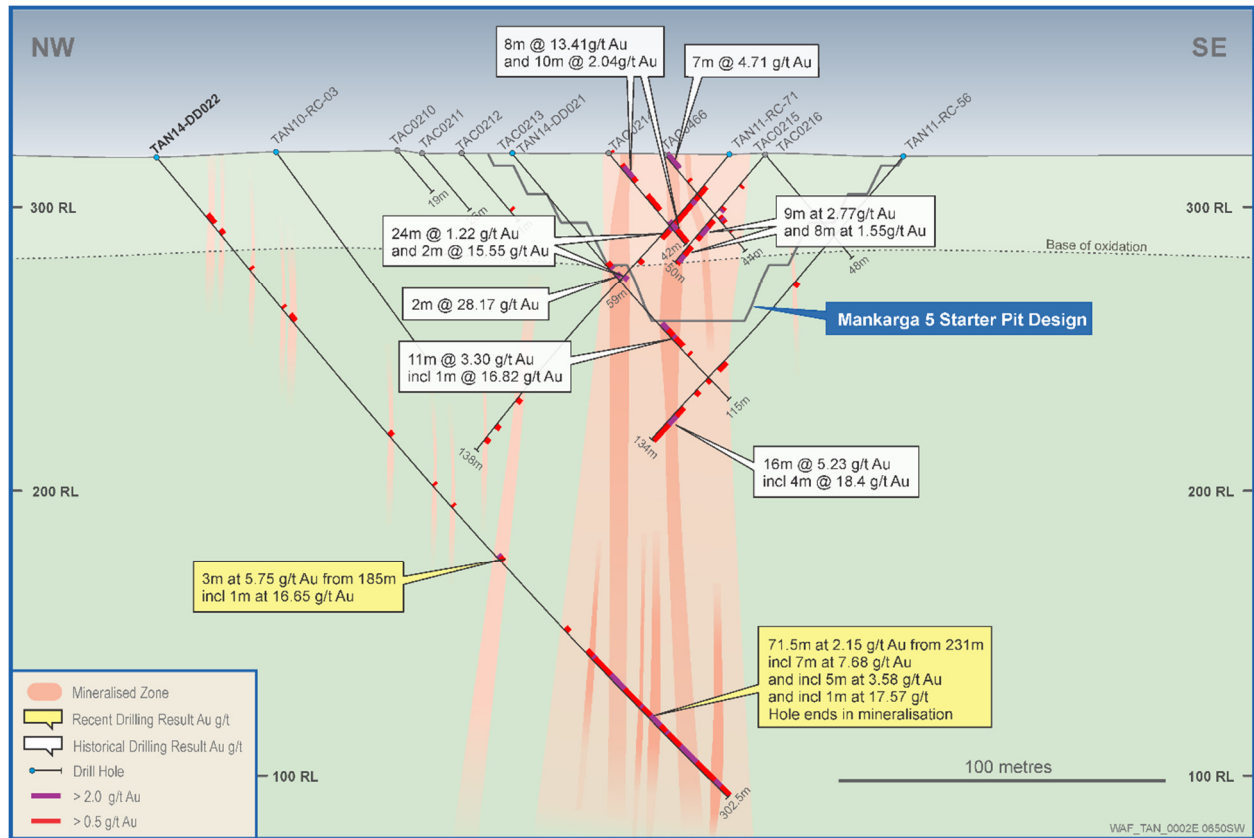


Figure 3: Mankarga Cross-Section SW0650

Other Feasibility Work

The Environmental and Social Impact Assessment for the Mankarga 5 Project was commenced during the December quarter, with preliminary documentation submitted to the Burkina Faso government outlining the Company's plans for the development of the project.

Project Timeline

In October 2014, Burkina Faso experienced civil unrest due to former President Compaore's attempt to change the constitution to extend presidential term limits. The attempted change was met by public demonstrations and civil disobedience prompting Compaore's resignation. In November, an interim President and Prime Minister were appointed to guide a transition process back to democratic rule. Later in November an interim government was installed and the first meeting of the Burkina Faso Council of Ministers was held on 23 November 2014.

During this period, the Company experienced disruptions on site in early November due to an increase in artisanal mining activity and as a precautionary measure work was halted on the project to ensure safety of our employees and contractors. Disruptions on site were resolved through the positive actions of senior Company personnel and local authorities. No significant loss or damage to Company property was experienced, however a delay to the project timeline of about three months is expected. Field work recommenced in the first week of January 2015. The Company continues to monitor events in Burkina Faso and welcomes the news that democratic elections will be held in October 2015. An updated project timeline is presented below.

Timeline of Key Deliverables for the Mankarga 5 Project												
2014					2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Drilling												
Scoping Study Heap Leach (Stage 1)			✓									
Resource upgrade / PFS	✓				•							
Metallurgical Tests		✓				•						
Bankable Feasibility Study						•						
Permitting							•					
Project Financing							•					
Construction									•			
Production												

About West African Resources and the Mankarga 5 Gold Project

West African is targeting 50,000ozpa gold production from the Mankarga 5 project and surrounding prospects within 12 months. In July 2014, West African announced a positive Preliminary Economic Assessment (PEA) based on the results of a technical and financial assessment (“Scoping Study”) of a heap leach starter project on its Mankarga 5 project, Burkina Faso.

Highlights of the Scoping Study included:

- Pre-production capital of \$35 million plus working capital and contingency of \$9 million
- IRR of 57% with a 16-month payback on initial capital
- Free cash flow of \$103 million after capital costs
- Pre-Tax NPV^{5%} of \$84 million
- Estimated average annual gold production of 59,400 ounces for first three years
- Estimated average annual gold production of 44,100 ounces for life of mine
- Current study mine life of 5.4 years
- Life of mine strip ratio 1:1
- Cash costs of \$614/oz
- All-in sustaining cash costs of \$685/oz (including cash costs, royalties, refining and sustaining capital)

For full details of the Scoping Study, refer to the ASX/TSXV announcement dated 29 July 2014.

West African is focused on cost-effective copper-gold exploration, by keeping our administration and corporate costs to a minimum and exploring as expeditiously as possible. We own and operate a fleet of seven drill rigs which are working continuously on our projects. Our drill fleet includes three auger rigs, one RAB rig, two multipurpose RC-diamond rigs and one diamond rig. In Burkina Faso we have a local exploration, drilling and support team of more than 50 people. West African Resources is committed to the training and development of our local workforce.

Further information is available at www.westafricanresources.com

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Summary of Tenements in Burkina Faso at 31 December 2014								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
Damongto	West African Resources Ltd SARL	100%	No 2012 12-023/MCE/SG/DGMGC	1/03/12	28/02/15	EL	36	Namentenga Province
Gorin	Wura Resources Pty Ltd SARL	100%	No 2014 00 48/MME/SG/DGMG	7/03/14	10/07/16	EL	183	Ganzourgou Province
Goudré	West African Resources Ltd SARL	100%	No 2012 12-052/MCE/SG/DGMGC	23/03/12	22/03/15	EL	250	Zounweogo Province
Kogho (1)	West African Resources Ltd SARL	100%	No 2012 12-055/MCE/SG/DGMGC	23/03/12	22/03/15	EL	98.75	Namentenga Province
Kouandre	Hawthorn Resources SARL	-	-	-	-	ELA	250	Zounweogo Province
Nagaré (1)	West African Resources Ltd SARL	100%	No 2012 12-053/MCE/SG/DGMGC	23/03/12	22/03/15	EL	219.55	Namentenga Province
Pissi (3)	West African Resources Development SARL	100%	No 2011 11-384/MCE/SG/DGMGC	1/12/11	30/11/14	EL	241.4	Gnagna, Kouritenga Provinces
Sartenga	West African Resources Development SARL	100%	No 2014 000275/MME/SG/DGMG	15/10/14	4/08/17	EL	130.7	Namentenga Province
Solga (1)	West African Resources Development SARL	100%	No 2011 11-382/MCE/SG/DGMGC	1/12/11	30/11/14	EL	240	Gnagna, Kouritenga Provinces
Sondo Sud (3)	West African Resources Development SARL	100%	No 2011 11-383/MCE/SG/DGMGC	1/12/11	30/11/14	EL	18.3	Gnagna, Kouritenga Provinces
Tanlouka (2)	Tanlouka SARL	90%	No 2013 000128/MME/SG/DGMG	24/06/13	27/01/16	EL	115.8	Ganzourgou Province
Toghin (3)	Wura Resources Pty Ltd SARL	100%	No 2011 11-162/MCE/SG/DGMGC	18/07/11	17/07/14	EL	222	Ganzourgou, Oubritenga Provinces
Vedaga (3)	West African Resources Exploration SARL	100%	No 2011 11-165/MCE/SG/DGMGC	18/07/11	17/07/14	EL	207.7	Gourma, Kouritenga Provinces
Zam (3)	Wura Resources Pty Ltd SARL	100%	No 2012 12-205/MCE/SG/DGMGC	27/09/12	30/12/14	EL	247.7	Zounweogo Province
Zam Sud	West African Resources Ltd SARL	100%	No 2012 12-024/MCE/SG/DGMGC	1/03/12	28/02/15	EL	23.46	Ganzourgou Province
<p>(1) The company has applied for renouncement for these permits.</p> <p>(2) WAF acquired a 90% interest in the Tanlouka property through the acquisition of Channel Resources Ltd on 21 January 2014, and has signed an agreement to acquire the remaining 10% of the project from GMC SARL, a Burkina Faso registered entity.</p> <p>(3) The company has lodged a renewal application for these permits.</p>								

Competent Person's Statement

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 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 Competent Person 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 National Instrument 43-101. Mr Hyde consents to the inclusion in this announcement of the statements based on his information in the form and context in which they appear.

Information in this announcement that relates to metallurgical test work results is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Smith, a Director of metallurgical consulting firm Aurifex, who is a Fellow of The Australian Institute of Mining and Metallurgy. Mr Smith 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). Mr Smith 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.

Cautionary Statement regarding Scoping Study

The Company advises the Scoping Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from Indicated Mineral Resources (77%) and Inferred Mineral Resources (23%) that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized.

The Scoping Study is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed.

Additional details are provided in a NI 43-101 technical report filed on SEDAR or at the Company's website www.westafricanresources.com.

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 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, these facts include their anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral

resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if a mineral property is developed.

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 materialize, 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 related MD&A, all of which are filed on SEDAR at www.sedar.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.