



West African Resources Limited

(ABN 70 121 539 375)

Financial Report

for the half-year ended 31 December 2014

West African Resources Limited

(ABN 70 121 539 375)

CORPORATE INFORMATION

Directors

Francis Harper (Non-Executive Chairman)
Richard Hyde (Managing Director)
Simon Storm (Non-Executive Director)
Jean-Marc Lulin (Non-Executive Director)
Colin Jones (Non-Executive Director)

Company Secretary

Simon Storm

PRINCIPAL PLACE OF BUSINESS

14 Southbourne Street
Scarborough 6019
Western Australia
Ph: +61 (8) 9481 7344
Fax: +61 (8) 9481 7355

SOLICITORS

Allion Legal
Level 2
50 Kings Park Road
West Perth WA 6005
Tel: +61 (8) 9216 7100

REGISTERED OFFICE

c/ Giles Partners
Level 1
127 Cambridge Street
West Leederville 6007
Western Australia
Ph: +61 (8) 3222 5366

SECURITY EXCHANGE AUSTRALIA

Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

WEBSITE

www.westafricanresources.com

STOCK EXCHANGE CANADA

TSX Venture Exchange
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

LOCAL OFFICE

Secteur 27,
Quartier Ouayalghin,
Parcelles 07/08, Lot 22, Section SL,
Ouagadougou
Burkina Faso
Ph +226 50 36 73 84

SHARE REGISTRY AUSTRALIA

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth WA 6000
T: +61 8 9323 2026

AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
Perth 6000
Western Australia
Ph: +61 (8) 9227 7500
Fax: +61 (8) 9227 7533

SHARE REGISTRY CANADA

Computershare
510 Burrard Street, 3rd Floor
Vancouver, British Columbia V6C 3B9
T: 604 661 9436

Your directors submit their report for the Group for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as follows. Directors were in office for this period unless otherwise stated.

Francis Harper - Non- Executive Chairman
Richard Hyde - Managing Director
Simon Storm - Non- Executive Director and Company Secretary
Jean-Marc Lulin - Non-Executive Director
Colin Jones – Non-Executive Director

Dividends

No dividends have been paid or declared since the start of the half-year and the directors do not recommend the payment of a dividend in respect of the half-year.

Principal Activities

The principal activity of the Group during the half-year was mineral exploration focusing primarily on the Boulsa Gold project in Burkina Faso and the completion of a preliminary economic analysis on the Tanlouka permit.

There have been no significant changes in the nature of this activity during the financial period.

Review of results and operations

The operations and results of the Group for the financial year are reviewed below. This review includes information on the financial position of the Group, its operational activities for the half-year and its future business strategies.

Operating results for the year

The net loss of the Group for the half-year ended 31 December 2014 was \$4,522,000 (2013: \$3,245,805).

Revenue

Revenue comprised interest received. Interest was down 50% on the previous corresponding period as a consequence of lower cash balances and lower interest rates. Net foreign exchange gains were down 100% due to lower foreign currency holdings.

Expenses

During the half-year, the Company continued exploration activities at its various exploration projects with expenditure on exploration decreasing 16% to \$1,780,138 (2013: \$2,125,965). The share based payments expense increased 1000% to \$2,194,962 (2013: \$199,542) due to the Black Scholes valuation of the 40.5 million options issued to Macquarie for services provided, pursuant to a loan facility obtained in December 2014.

Cash flows

Cash and cash equivalents at 31 December 2014 increased by 147% to \$6,231,588 (30 June 2014: \$2,522,917). The increase in cash and cash equivalents by 147% to \$6,231,588 during the six months ended 31 December 2014, arose due to the following reasons:-

Operating cash flows

Cash outflows from operating activities decreased by 22% to \$2,317,481 (2013: \$2,952,206) mainly because of the reduction in exploration expenditure, which did not include payments for the renewal of existing permits in Burkina Faso, as included in the previous period.

Investing cash flows

Cash outflows from investing activities decreased by 100% to \$3,879 (2013: \$1,829,841) due mainly to the acquisition of 19.9% of Channel Resources Ltd in the previous period, and partly as a consequence of legal costs incurred in relation to the Channel Resources Ltd Plan of Arrangement transaction, during the previous period.

Financing cash flows

Cash inflows from financing activities increased by 124% to \$6,018,519 (2013: \$2,683,461) due to the drawdown in December 2014 of the two-year USD 5 million convertible loan facility with the Metals & Energy Capital Division of Macquarie Bank Ltd to fully fund the completion of the Company's Feasibility Study for the Mankarga 5 Heap Leach gold project in Burkina Faso. There was no capital raising in the current period compared with an equity placement in September 2013, with 19.1 million shares being issued at 15 cents.

Statement of financial position**Current assets**

Current assets increased by 151% to \$6,612,330 (30/6/14: \$2,639,600) mainly due to cash and cash equivalents increasing 147% to \$6,231,588 (30/6/14: \$2,522,917).

Non-current assets

Non-current assets decreased by 30% to \$316,256 (30/6/14: \$450,592) due to the ongoing depreciation of plant and equipment.

Current liabilities

Current liabilities decreased by 6% to \$570,214 (30/6/14: \$604,697), being a reduction in the creditors for assaying and equipment supplies.

Non-current liabilities

Non-current liabilities increased to \$6,172,840 (30/6/14: \$Nil), due to the Company obtaining a convertible loan for USD5 million in December 2014.

Operational activities for the year**Exploration**

The Company's activities on its 100%-owned and 100%-earning gold and copper-gold projects in Burkina Faso, West Africa, for the half-year ending 31 December 2014 included:-

- 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 a heap leach starter project approach;
- Scoping Study and NI 43-101 Technical Report detailing a positive Preliminary Economic Assessment (PEA) completed
- Diamond drilling identifies a new high-grade gold zone at Mankarga 5 ;
- Mankarga 5 resource definition program completed; and
- further Diamond drilling conducted and results received during the half-year.

Corporate

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 2014, demonstrated Mankarga 5 to be a low capital cost, high margin, heap leach starter project.

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.

Future Business Strategy

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

Significant events after reporting date

There has not been any matter or circumstance that has arisen after the end of the financial half-year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future half-years.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial half-year report. This written Auditor's Independence Declaration is attached to the Auditor's Independent Review Report to the members and forms part of this Directors' Report.

Signed in accordance with a resolution of the directors.



Richard Hyde
Director

Perth, 16 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated	
	6 months ended 31-Dec-14 \$	6 months ended 31-Dec-13 \$
Revenue from continuing operations	7,623	15,234
Foreign exchange gain	-	24,532
Regulatory and compliance expense	(52,394)	(49,156)
Office expense	(38,204)	(90,439)
Depreciation expense	(148,866)	(165,209)
Personnel expense	(147,231)	(113,719)
Travel and accommodation expense	(8,698)	(8,876)
Property expense	(32,083)	(22,791)
Consulting fee expense	(316,107)	(272,086)
Audit fees	(22,800)	(17,647)
Director's fees	(52,500)	(35,000)
Share based payments	(2,194,962)	(199,542)
Exploration related costs	(1,780,138)	(2,125,965)
Share of loss of equity accounted investee	-	(185,141)
Foreign exchange loss	(116)	-
Interest expense	(15,002)	-
Loss before tax	(4,801,478)	(3,245,805)
Income tax benefit	279,478	-
Loss after tax	(4,522,000)	(3,245,805)
Other comprehensive income:		
Items that may be reclassified		
subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	27,075	14,585
Other comprehensive income, net of income tax	27,075	14,585
Total comprehensive loss for the year attributable to the owners of West African Resources Ltd	(4,494,925)	(3,231,220)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic loss per share (cents per share)	(1.7)	(1.6)

Diluted loss per share is not disclosed as
it is not materially different to basic loss
per share

The accompanying notes form part of the financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

Note	Consolidated	
	31-Dec-14 \$	30-Jun-14 \$
CURRENT ASSETS		
Cash and cash equivalents	6,231,588	2,522,917
Trade and other receivables	347,800	83,741
Financial assets	32,942	32,942
Total Current Assets	6,612,330	2,639,600
NON-CURRENT ASSETS		
Plant & equipment	316,256	450,592
Total Non-Current Assets	316,256	450,592
TOTAL ASSETS	6,928,586	3,090,192
CURRENT LIABILITIES		
Trade and other payables	570,214	604,697
Total Current Liabilities	570,214	604,697
NON-CURRENT LIABILITIES		
Borrowings	3 6,172,840	-
Total Non-current Liabilities	6,172,840	-
TOTAL LIABILITIES	6,743,054	604,697
NET ASSETS	185,532	2,485,495
EQUITY		
Issued capital	4 32,173,325	32,173,325
Reserves	5,590,076	3,368,039
Accumulated losses	(37,577,869)	(33,055,869)
TOTAL EQUITY	185,532	2,485,495

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated	
	6 months ended 31-Dec-14 \$	6 months ended 31-Dec-13 \$
	Inflows/(Outflows)	
Cash Flows from Operating Activities		
Payments to suppliers and employees	(427,581)	(383,445)
Exploration related expenditure	(1,898,521)	(2,436,622)
Purchase of prospects and investments	-	(148,205)
Net Interest received	8,621	16,066
Net cash outflow from operating activities	(2,317,481)	(2,952,206)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(3,879)	(2,277)
Payment for plant deposit	-	(83,084)
Payment for security deposit	-	(10,000)
Channel acquisition costs	-	(167,069)
Cash paid for acquisition of Channel	-	(1,567,411)
Net cash outflow from investing activities	(3,879)	(1,829,841)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	2,858,178
Proceeds from convertible note facility	6,172,840	-
Share issue related costs	-	(174,717)
Convertible note related costs	(154,321)	-
Net cash inflow from financing activities	6,018,519	2,683,461
Net increase/ (decrease) in cash held	3,697,159	(2,098,586)
Cash at the beginning of the financial period	2,522,917	3,328,461
Effect of exchange rate changes on the balance of cash held in foreign currencies	11,512	86,672
Cash at the end of the financial period	6,231,588	1,316,547

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated				
	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	20,508,445	(19,019,256)	42,334	1,835,246	3,366,769
Shares issued during the year net of transaction costs	2,596,563	-	-	-	2,596,563
Loss after tax	-	(3,245,805)	-	-	(3,245,805)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	14,585	-	14,585
Share based payments	-	-	-	286,440	286,440
Balance at 31 December 2013	23,105,008	(22,265,061)	56,919	2,121,686	3,018,552
Balance at 1 July 2014	32,173,325	(33,055,869)	428,304	2,939,735	2,485,495
Loss after tax	-	(4,522,000)	-	-	(4,522,000)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	27,075	-	27,075
Share based payments	-	-	-	2,194,962	2,194,962
Balance at 31 December 2014	32,173,325	(37,577,869)	455,379	5,134,697	185,532

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements are general purpose financial statements which have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards). They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

The company is a public company, incorporated in Australia and operating in Australia. The Company was incorporated on 1 September 2006 as a proprietary company and converted to a public company on 16 November 2007. The company listed on the Australian Securities Exchange Ltd on 11 June 2010.

(b) Adoption of new and revised standards

In the half-year ended 31 December 2014, the Directors have adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(d) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(e) Significant accounting judgments and key estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial report for the year ended 30 June 2014.

Going Concern

The financial report has been prepared on a going concern basis, notwithstanding the net asset position of \$185,532. As noted in the Review of Operations, the Company is working towards the completion of the bankable feasibility study for the Mankarga 5 gold project.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

The Company notes that any further development of its project will require additional funding. The directors also note the requirement to potentially repay the convertible loan facility, which falls due on 30 September 2016 (Note 3), if conversion is not made.

Current cash flow forecasts indicate that additional funding will be required to further develop the project, repay the convertible loan facility, or for general working capital. The directors are confident that they will be able to raise sufficient funding or scale down operation to ensure the Company remains a going concern beyond the period of 12 months from the date of signing this financial report.

(f) Principles of Consolidation

The consolidated financial statements comprise the financial statements of West African Resources Limited and its subsidiaries ("the Group"). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which West African Resources Limited has control.

NOTE 2: SEGMENT REPORTING

AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of West African Resources Ltd.

The Group operates only in one business and geographical segment being predominantly in the area of mineral exploration in Burkina Faso, Africa. The Group considers its business operations in mineral exploration to be its primary reporting function.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 3: BORROWINGS

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
Non-current		
Convertible loan	6,172,840	-
	6,172,840	-

Interest-bearing loans and borrowings	Consolidated			
	Interest rate %	Maturity	31/12/2014	30/06/2014
Non-current interest-bearing loans and borrowings				
Secured convertible loan of US\$5,000,000	LIBOR +7.5%	30 Sept 2016*	6,172,840	-

(i) Information on Facility

Secured convertible loan of US\$5,000,000 with the Metals & Energy Capital Division of Macquarie Bank Limited. The Facility is secured against all assets of West African Resources and its wholly-owned subsidiary, Channel Resources Limited. Drawdown of the Facility was subject to a number of conditions, including the issue of 40,545,224 unlisted options, exercisable at A\$0.14 on or before 30 September 2017. Any funds received by West African Resources through the conversion of the options will be applied against the outstanding facility amount, reducing the outstanding debt owed to Macquarie.

The Convertible Loan Agreement contains other customary features, including customary representations and warranties, undertakings and events of default for facilities of this nature.

* - or date when the Company receives proceeds from project funding or capital raising

(ii) Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Amount		Fair value	
	31/12/2014	30/06/2014	31/12/2014	30/06/2014
Floating rate borrowings	6,172,840	-	5,989,625	-

The following method and assumptions were used to estimate the fair value:

The fair value of loans from banks and other financial liabilities, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**
NOTE 4: ISSUED CAPITAL

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
270,301,498 (30 June 2014: 270,301,498) fully paid ordinary shares	32,173,325	32,173,325

(a) Shares

	31/12/2014	30/06/2014
	No.	No.
(i) Ordinary shares - number		
At start of period	270,301,498	196,131,467
Issue of shares 5 September 2013	-	19,054,516
Issue of shares 17 January 2014	-	29,837,123
Issue of shares 17 January 2014	-	2,199,631
Issue of shares 4 April 2014	-	23,078,761
Balance at 31 December 2014	270,301,498	270,301,498

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
(ii) Ordinary shares – value		
At start of period	32,173,325	20,508,445
Issue of shares 5 September 2013	-	2,858,178
Issue of shares 17 January 2014	-	5,967,425
Issue of shares 17 January 2014	-	285,952
Issue of shares 4 April 2014	-	3,000,239
Share issue costs	-	(446,914)
Balance at 31 December 2014	32,173,325	32,173,325

(b) Options

	Consolidated	
	31/12/2014	30/06/2014
	No.	No.
At start of period	9,735,899	13,796,792
Options lapsed	-	(7,250,000)
Issue of options 27 November 2013	-	1,935,357
Issue of options 17 January 2014	-	1,365,000
Issue of options 22 December 2014	40,545,224	-
Expiry of options	(1,132,500)	(111,250)
Balance at 31 December 2014	49,148,623	9,735,899

NOTE 5: DIVIDENDS

No dividends have been paid or declared payable since the start of the financial half-year.

NOTE 6: RELATED PARTY DISCLOSURE

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2014 annual financial report.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 7: CONTINGENT LIABILITIES AND COMMITMENTS

Commitments

On 5 March 2014, the Company through Channel Resources Limited and its Group subsidiary, Channel Resources (Cayman II) Ltd, entered into an agreement to acquire the remaining 10% of the Tanlouka Permit, part of the Boulssa Project, Burkina Faso. The acquisition will take the Group to 100% ownership of the permit.

The acquisition, which is conditional on completion of a positive feasibility within 18 months, comprised the following consideration:

- US\$50,000 on execution of the agreement (paid); and
- the issue of 2,500,000 ordinary shares in West African Resources Ltd and payment of US\$250,000 following completion of a positive feasibility study on the Tanlouka permit.

Contingencies

At the date of this report, the authorities in Burkina Faso are lodging claims with various exploration companies operating in Burkina Faso for withholding taxes on payments of various non resident service providers and the regulation of the contracts of expatriate staff in accordance with taxation regulations in force. Whilst the Company believes it has complied with local regulations, some aspects of the regulations are open to interpretation. The Company has not received any formal claim and in the event of one being received, the effect, if any, that these claims will have, or which future claims will have on the consolidated entity's operations in Burkina Faso is not yet known.

NOTE 8: SUBSEQUENT EVENTS AFTER THE REPORTING DATE

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Directors' Declaration

1. In the opinion of the Directors:
 - a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year then ended; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1 (c).

This declaration is signed in accordance with a resolution of the Board of Directors.



Richard Hyde
Director

16 March 2015

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of West African Resources Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
16 March 2015

N G Neill
Partner

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of West African Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of West African Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014 the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of West African Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
16 March 2015