

Press Release

16th April 2015



WEST AFRICAN RESOURCES BFS PROGRESSING RAPIDLY *Mankarga 5 Gold Project – low cost heap leach starter project*

West African Resources Limited (ASX, TSXV: WAF) is pleased to report that the Bankable Feasibility Study (BFS) for a heap leach starter project on its Mankarga 5 Gold Project, Burkina Faso is well underway. The BFS will be prepared in accordance with the requirements of both the Australian 2012 JORC Code and Canadian NI 43-101 and will be completed by Q3 2015 and is being completed in parallel with project financing negotiations.

Highlights

- BFS commenced – Mintrex appointed lead consultant – completion by Q3 2015
- Study Manager appointed – Mr Lyndon Hopkins joins WAF management
- Nick Harch appointed to advise on debt financing and hedging arrangements, project financing discussions proceeding in parallel with the BFS
- Aircore drilling commenced to add significant low-cost ounces to BFS economics
- BFS and Company working capital fully-funded by Macquarie Bank
- NI 43-101 Technical Report for the PFS has been completed, see website or www.sedar.com

Managing Director Richard Hyde said:

“We are making good progress with BFS for the Mankarga 5 heap leach project.

“New appointments are pivotal to our rapid transition from explorer to producer and strengthen our team to complete the feasibility study, and to manage the construction of the project.

“We are fully-funded to deliver a final feasibility study within six months, targeting gold production in early 2016.”

Bankable Feasibility Study

The Company has appointed Perth-based consulting firm Mintrex Pty Ltd as lead consultant to manage the Mankarga 5 BFS. Mintrex has a team of engineering professionals, headed by Mr Tom Kendall, with significant experience in project management services and skills to design, build and commission mining plants. Mintrex has significant national and international experience including completing a BFS on Roxgold's 0.3 Mtpa Yaramoko Gold Project and Regis Resources Ltd 4.0 Mtpa Garden Well Gold Project, the DFS for Sandfire Resources Ltd on the 1.5 Mtpa DeGrussa Copper Project, the BFS for Perseus Mining Ltd 5.5 Mtpa Edikan Project in Ghana, detailed engineering and procurement for the Regis Resources 2.0Mtpa Duketon gold project and full EPCM services for the 1.0 Mtpa Alkane Resources Tomingley Project and the 1.5 Mtpa Millennium Minerals Nullagine Gold Project.

West African is also excited with the appointment of Mr Lyndon Hopkins to the role of Study Manager. His immediate responsibility will be leading the Mankarga 5 BFS, building on the positive outcome of the Pre-Feasibility Study announced in February 2015. Lyndon is a geologist with more than 20 years' experience in gold exploration, development and production. Lyndon was Chief Operating Officer of Equigold NL's Ivory Coast operations and managed the in-country aspects of the project development and feasibility study for the Bonikro Gold Mine which commenced production in 2008. More recently, he was Mine Manager for the construction of Regis Resources Ltd's Rosemont Gold Mine. He has been involved with numerous gold operations in Australia and Africa in various roles with Equigold and Regis and his experience will strengthen WAF's development team. WAF will add further operational and corporate strength to the management team and board over the coming months.

Resource upgrade drilling has commenced targeting drilling in-pit Inferred Mineral Resources. Some 0.7Mt of Inferred material grading 1.0g/t Au containing 21,000 ounces was included in the PFS pit design and is currently treated as waste. Infill drilling will upgrade this material from Inferred to Indicated category, which will make a positive impact on the project economics and reduced strip ratio.

Metallurgical test work is in progress at ALS Ammtec in Perth. More than 2 tonnes of mostly oxide core was airfreighted to ALS in January. An additional 1.5 tonnes of transitional and fresh core is in transit from site at the moment. There is sufficient core to complete a definitive test work program for the BFS. This program will be completed by the end of June 2015.

PFS Report Completed

The Company is pleased to advise that the NI 43-101 Technical Report detailing the Pre-Feasibility Study (PFS) for the Mankarga 5 Deposit, Tanlouka Gold Project has been completed as required by the Canadian Securities Regulators. The independently managed assessment was prepared in accordance with the requirements of both the 2012 JORC Code and NI 43-101. The Technical Report can be found on the West African Resources Ltd website (www.westafricanresources.com) and under our profile on the SEDAR website (www.sedar.com).

Project Financing

The project generates strong early cash flow with a payback period of 14 months at US\$1,300 gold, and average annual production of 69,000 ounces a year for the first three years (ASX, TSXV: 23/2/2015). The Company intends to finance the development of Mankarga 5 predominantly with senior debt to minimise equity dilution and maximise returns for shareholders. The Company has engaged Nick Harch to undertake project finance discussions with potential lenders. Nick is Managing Director of resource investment advisory firm Orimco Pty Ltd and was formerly an Executive Director with Macquarie Bank, where he was responsible for initiating and leading project finance and structured hedging transactions for a broad range of resource projects, including several West African gold projects.

Permitting

WAF has appointed Knight Piesold Pty Ltd (KP) to monitor and assess the studies required to meet the environmental legislation requirements for the Mining Permit application. KP has previous experience in Burkina Faso and will utilise the services of local consultancy INGRID (L'Institut de Gestion des Risques Miniers et du Developpement) as well as other consultants in various disciplines to undertake the studies and the preparation of the documents required for the project's approval.

Late last year the proposed mine site and infrastructure was assessed as a Category A activity requiring an Etude d'Impact sur l'Environnement (Environmental and Social Impact Assessment - ESIA). While the Water Storage Facility (WSF) was assessed as a Category B activity requiring a Notice d'Impact sur l'Environnement (NIE). Field work is ongoing, and the company expects to complete the ESIA and NIE by late July 2015.

Project Timeline

An updated project timeline is presented below.

Timeline of Key Deliverables for the Mankarga 5 Project								
	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bankable Feasibility Study			•					
Resource/Reserve Upgrade Drilling		•						
Resource/Reserve Upgrade		•						
Metallurgical Test Work		•						
Project Financing			•					
Enviro Social Impact Assessment (ESIA)		•						
Enviro Permit Application			•					
Mining Permit Application				•				
Detailed Engineering				•				
Construction						•		
Gold Production						•		

February 2015 PFS Highlights

West African Resources Limited announced results of its technical and financial assessment of an oxide heap leach starter project on its Mankarga 5 Gold Project, Burkina Faso in February 2015 (ASX, TSXV: 23/2/2015). This assessment constituted a Pre-Feasibility Study (PFS) incorporating updated Mineral Resource, mining schedule, column test work and cost inputs. It was prepared in accordance with the requirements of both the Australian 2012 JORC Code and Canadian NI 43-101. A summary of the base case is stated below on a pre-tax basis assuming 100% project at a gold price of \$1,300/oz. All amounts are in US dollars.

- Pre-production capital of \$46.6 million, including \$8.7 million working capital and contingency
- Annual gold production of 69,000 ounces for first three years, 49,000 ounces for life of mine
- Mine life of 7 years
- Cash costs of \$428/oz for first 3 years, \$635/oz life of mine
- All-in site costs of \$538/oz for first 3 years, \$749/oz life of mine
- IRR of 63% with a 14 month payback of capital due to strong early project cash flow
- Pre-Tax cash flow after initial and sustaining capital costs of \$146 million
- Pre-Tax NPV^{5%} of \$117 million, Post-Tax NPV^{5%} of \$86 million
- 59% increase to in-pit inventory now 440,000oz, life of mine strip ratio 2:1
- Indicated resources increased 57% from scoping study to 8.4Mt at 1.8g/t Au (495koz), Inferred resources increased 39% to 15.2Mt at 1.6g/t Au (791koz) at a 1g/t Au cut-off
- Potential to upgrade in-pit Inferred Resources currently treated as waste in mining schedule
- More than one million ounces of Resource remaining, open at depth, beneath oxide starter pit
- Limited exploration conducted to date, numerous drill targets within trucking distance of the proposed plant site

Mankarga5 February 2015 Resource							
	Cut-off (Au g/t)	Indicated Resource			Inferred Resource		
		Tonnes	Grade (Au g/t)	Au Oz	Tonnes	Grade (Au g/t)	Au Oz
Oxide	0.5	7,200,000	1.2	273,000	800,000	0.8	20,000
	1	3,100,000	1.8	180,000	200,000	1.2	7,000
Transitional	0.5	2,300,000	1.2	89,000	500,000	0.9	13,000
	1	1,000,000	1.9	60,000	200,000	1.3	6,000
Fresh	0.5	9,500,000	1.2	377,000	39,100,000	1.0	1,320,000
	1	4,200,000	1.9	256,000	14,800,000	1.6	778,000
Total	0.5	19,000,000	1.2	736,000	40,400,000	1.0	1,350,000
	1	8,400,000	1.8	495,000	15,200,000	1.6	791,000

Cautionary Note About Mineral Resources:

Mineral Resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

For further information contact:

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Qualified/Competent Person's Statement

Information in this announcement relating to the Pre-Feasibility Study has been prepared by and compiled under the supervision of Dr Leon Lorenzen, an Independent Consultant and Director of Mintrex Pty Ltd, who is a Fellow of the Australian Institute of Mining and Metallurgy (CP) and Fellow of the Institution of Engineers Australia. Dr Lorenzen has sufficient experience which is relevant to 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. Dr Lorenzen 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 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 exploration results and exploration targets is based on, and fairly represents, information and supporting documentation prepared by Mr Vincent Morel, an employee of the Company, who is a Member of The Australian Institute of Geoscientists. Mr Morel 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 Morel 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.

Regulatory Disclaimer and Related Information

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. This announcement has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and Canadian National Instrument 43-101 (Disclosure Standards for Mineral Projects). The information relating to the historic Mankarga 5 Mineral Resource Estimate is extracted from Channel's NI43-101 report dated August 17, 2012 and is available to view on www.westafricanresources.com and on profile of Channel Resources Ltd (now a subsidiary of the Company) on www.sedar.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 the potential economic feasibility of a principal mineral project, 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 ability to secure additional funding, 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: gold price volatility, investor interest in financing of junior resource issuers, exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding on reasonable terms or any terms at all; financial market 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.