



## Press Release

30th April 2015

### MARCH 2015 QUARTERLY REPORT

#### Highlights

##### **Outstanding Pre-Feasibility Study for Mankarga 5 Gold Project**

Base case states on a pre-tax basis assuming 100% project at \$1300/oz gold price. All amounts in US\$:

- ✓ Production of 69,000oz pa for first 3 years, 49,000oz pa for life of mine, 7 year life of mine
- ✓ Cash costs \$428/oz for 3 years, \$635/oz life of mine
- ✓ All-in cash costs of \$538/oz for 3 years, \$749/oz life of mine
- ✓ IRR of 63% with 14-month payback on capital due to strong early cash flow
- ✓ Pre-tax cash flow of \$146m after initial and sustaining capital costs
- ✓ Pre-tax NPV5% of \$117m, Post-tax NPV5% of \$86m
- ✓ Potential to upgrade in-pit Inferred Resources currently treated as waste in mining schedule

##### **March 2015 Quarter Summary**

- ✓ 1,205m diamond core drilled for geotechnical and metallurgical test work
- ✓ \$1.1 Exploration and Development Expenditure
- ✓ \$0.4m Administration Costs
- ✓ \$5.2m cash at bank at 31 March 2015

##### **Work Completed in Quarter**

- ✓ Feasibility Study commenced, targeting Q3 2015 completion
- ✓ Mintrex appointed as lead consultant
- ✓ Study manager and financing consultant appointed
- ✓ Resource upgrade drilling commenced targeting upgrade of in-pit Inferred Mineral Resources
- ✓ Field work for environmental studies
- ✓ Geotechnical and metallurgical test work diamond core drilling

##### **June 2015 Quarter Plans**

- ✓ Commence discussions and obtain indicative debt finance proposals from project lenders
- ✓ Infill RC drilling within proposed starter pit
- ✓ Mankarga 5 resource update
- ✓ Metallurgical test work results expected
- ✓ Infill auger drilling and prospect mapping and RC drilling over Mankarga 1 and 2 prospects
- ✓ Completion of ESIA fieldwork over proposed mine and dam sites

West African Resources Limited (ASX: 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 March 2015.

### **Mankarga 5 Heap Leach Gold Project**

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<sup>5%</sup> of \$117 million, Post-Tax NPV<sup>5%</sup> 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

West African has recently completed an updated entirely independent NI 43-101 Technical Report for the PFS which is currently being reviewed by Canadian authorities (BCSC). The original report had inadvertently included co-authors that we not independent of the Company.

**Table 1: 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
<b>Oxide</b>	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
<b>Transitional</b>	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
<b>Fresh</b>	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
<b>Total</b>	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

The PFS was managed by independent engineering consultancy Mintrex Pty Ltd and completed to a ± 30% input cost estimate, assuming an annual throughput of 1.6Mtpa which is in line with the capacity of

the plant West African purchased in 2014. Project sensitivities are shown below. The base case assumes 100% project basis and a gold price of \$1300/oz, with all amounts in US dollars unless otherwise stated.

<b>Table 2: PFS Economic Summary</b>			
<b>Pre-Tax (100%)</b>	<b>\$1100/oz</b>	<b>\$1300/oz</b>	<b>\$1500/oz</b>
NPV <sup>0%</sup> (\$M)	\$79	\$146	\$208
NPV <sup>5%</sup> (\$M)	\$60	\$117	\$169
IRR %	39%	63%	81%
Payback (Months)	21	14	11
<b>After-Tax (90%*)</b>	<b>\$1100/oz</b>	<b>\$1300/oz</b>	<b>\$1500/oz</b>
NPV <sup>0%</sup> (\$M)	\$58	\$110	\$156
NPV <sup>5%</sup> (\$M)	\$42	\$86	\$125
IRR %	30%	50%	66%
Payback (Months)	26	16	13

### **Feasibility Study Update**

Subsequent to the end of the quarter the Company provided an update on Feasibility Study (FS) commencement and progress. It expects to complete the report by Q3 2015. The Company has appointed Perth-based consulting firm Mintrex Pty Ltd as lead consultant to manage the Mankarga 5 FS. 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 FS 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 pleased with the appointment of Mr Lyndon Hopkins to the role of Study Manager. His immediate responsibility will be leading the Mankarga 5 FS, 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.

During the quarter 10 HQ diamond core holes were drilled to provide geotechnical data and samples. Additional drill core was also selected from these holes for further metallurgical test work on transitional and fresh material types. Metallurgical test work is in progress at ALS Ammtec in Perth. More than 3.5 tonnes of drill core was airfreighted to ALS Ammtec during the quarter. There is sufficient core to complete a definitive test work program for the FS. This program will be completed by

the end of June 2015. Two RC water bore holes were drilled in the quarter also to determine quantity and flow rate of groundwater. Data collected from pump tests will be used in the overall water balance for the project for the FS.

### **Project Financing**

With a payback period of 14 months at US\$1300/oz gold, the Company intends to finance development of Mankarga 5 predominantly with senior debt to minimise equity dilution and maximise shareholder returns. It 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.

Discussions and site visits with project lenders have commenced. The company expects to receive indicative debt financing proposals from project lenders by the end of the June quarter 2015.

### **Permitting**

WAF appointed Knight Piesold Pty Ltd (KP) to assist in completion of environmental studies. 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 for these separate studies is ongoing and both reports are expected to be completed by late July 2015.

### **Exploration Upside**

West African acquired the Tanlouka Permit in January 2014 and has focussed entirely on expanding and improving existing resources, and completing economic studies. There are a number of drill-ready prospects within a short trucking distance from the starter project which have potential to add further plant feed to the starter project which have had little attention from the Company to date. Nearby prospects include Mankarga 1, Mankarga 2, Manesse, Tanwaka, Goudré and Moktedu (Figure 3).

Mankarga 1 is the most advanced prospect and located approximately 500m northwest of the Mankarga 5 Mineral Resource. WAF geologists are completing detailed prospect and structural mapping of the area at the time of reporting. Mankarga 1 comprises similar rock types and stratigraphy to Mankarga 5, however the major difference is in the orientation of mineralised trends north-northwest, in contrast to Mankarga 5 which trends northeast. Mineralisation is hosted with steeply dipping quartz veining which has been subject to significant artisanal mining activity (Figure 4) with pits down to 30m depth. Channel Resources drilled approximately 23 RC holes and 5 diamond holes in the area. Mineralisation is structurally complex therefore detailed auger drilling will be completed during the quarter on a 20m by 100m grid, oriented perpendicular to the main mineralised trends. Significant results from historic drilling at Mankarga 1 are shown in Table 3 below.

Figure 3 – Project Location surrounding exploration prospects and deposits

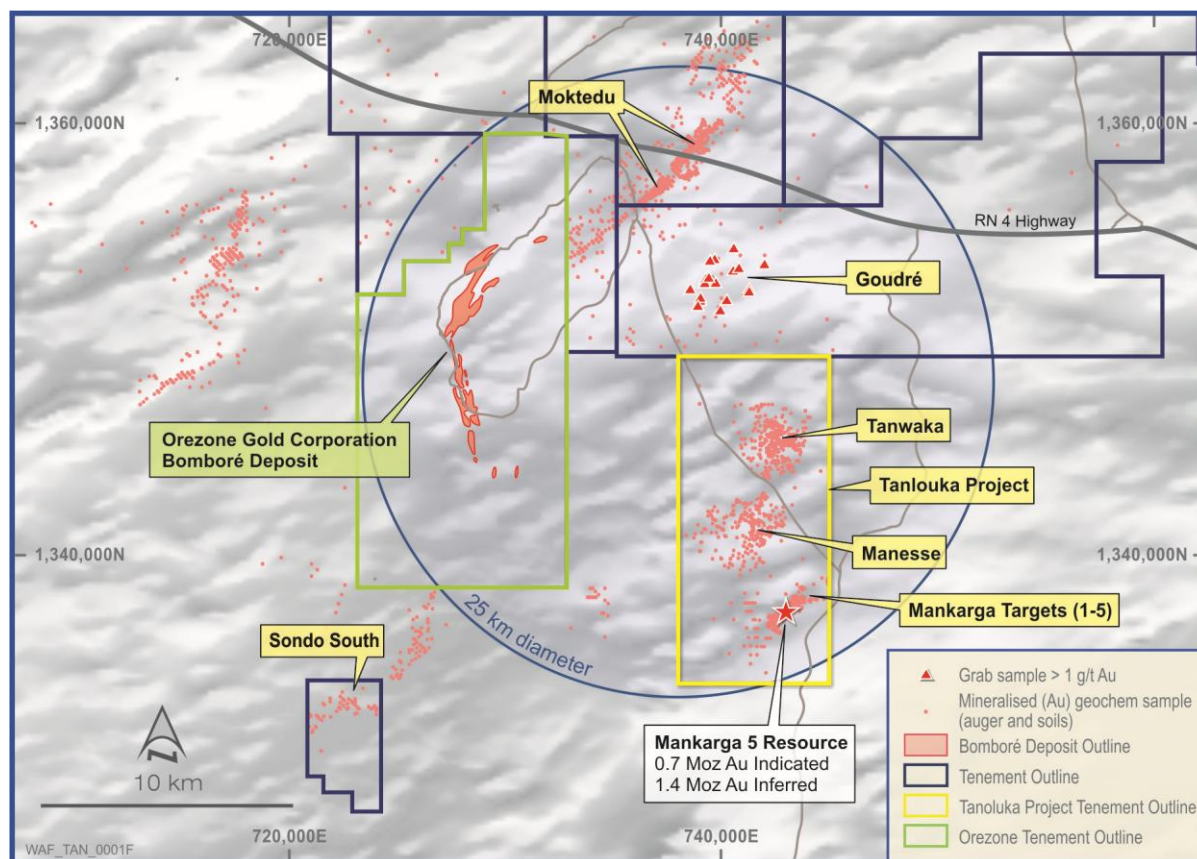


Table 3: Mankarga 1 Significant Intercepts

Hole	From	To	Interval	Au g/t	East	North	RL
TAN10-RC-10	56.00	72.00	16	4.80	741579.41	1336912.41	275.99
TAN10-RC-10	78.00	88.00	10	3.86	741579.41	1336900.20	261.43
TAN10-RC-12	58.00	66.00	8	31.78	741551.92	1336966.64	279.70
TAN11-RC-52	46.00	50.00	4	16.95	741413.29	1337146.67	291.17
TAN12-DD-72	68.00	69.50	1.5	22.63	741548.36	1336970.74	274.61
TAN12-DD-73	56.00	69.50	13.5	10.11	741577.77	1336914.73	276.91
TAN12-DD-73	80.00	93.00	13.00	1.56	741576.77	1336899.27	258.91
TAN12-DD-74	64.20	68.00	3.80	3.25	741601.61	1336915.68	276.18

Currently some 0.7Mt of Inferred Mineral Resource is treated as waste in the study mine schedule. With infill drilling this material should be upgraded to Indicated category and treated as plant feed. At the end of the proposed starter project a significant resource will remain beneath the open pit comprising Indicated Resources of 3.1Mt at 1.7g/t Au (173koz) and Inferred Resources of 14.9Mt at 1.6g/t Au (779koz) at a 1g/t Au cut-off (Table 9). Test work reported in July 2014 (ASX, TSXV: 9/6/14) confirmed mineralisation is non-refractory and amenable to conventional milling and CIL processing with recoveries of up to 98.5% and averaging 93.8% in direct cyanidation test work. This resource is open at depth and along strike to the northeast.

**Table 4: Mankarga5 February 2015 Sulphide Resource after Starter Project**

	Cut-off (Au g/t)	Indicated Resource			Inferred Resource		
		Tonnes	Grade (Au g/t)	Au Oz	Tonnes	Grade (Au g/t)	Au Oz
Remaining Resource	0.5	8,700,000	1.1	298,000	39,700,000	1.0	1,329,000
	1	3,100,000	1.7	173,000	14,900,000	1.6	779,000

**Other Projects**

No work was completed during the quarter in the Company's other projects.

**Project Timeline**

An updated project timeline for the heap leach starter project is presented below.

<b>Table 5: Timeline of Key Deliverables for the Mankarga 5 Project</b>								
	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
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						•		

Further information is available at [www.westafricanresources.com](http://www.westafricanresources.com)

**For further information contact:**

Richard Hyde	Nathan Ryan
Managing Director	Investor Relations
Ph: 08 9481 7344	Ph: 0420 582 887

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



Summary of Tenements in Burkina Faso at 31 March 2015								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
<b>Damongto</b> <sup>(3)</sup>	West African Resources Ltd SARL	100%	No 2012 12-023/MCE/SG/DGMGC	1/03/12	28/02/15	EL	36	Namentenga Province
<b>Gorin</b>	Wura Resources Pty Ltd SARL	100%	No 2014 00 48/MME/SG/DGMG	7/03/14	10/07/16	EL	183	Ganzourgou Province
<b>Goudré</b> <sup>(3)</sup>	West African Resources Ltd SARL	100%	No 2012 12-052/MCE/SG/DGMGC	23/03/12	22/03/15	EL	250	Zounweogo Province
<b>Pissi</b> <sup>(1)</sup>	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
<b>Sartenga</b>	West African Resources Development SARL	100%	No 2014 000275/MME/SG/DGMG	15/10/14	4/08/17	EL	130.7	Namentenga Province
<b>Sondo Sud</b> <sup>(3)</sup>	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
<b>Tanlouka</b> <sup>(2)</sup>	Tanlouka SARL	90%	No 2013 000128/MME/SG/DGMG	24/06/13	27/01/16	EL	115.8	Ganzourgou Province
<b>Toghin</b> <sup>(3)</sup>	Wura Resources Pty Ltd SARL	100%	No 2011 11-162/MCE/SG/DGMGC	18/07/11	17/07/14	EL	222	Ganzourgou, Ouhritenga Provinces
<b>Vedaga</b> <sup>(3)</sup>	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
<b>Zam</b> <sup>(3)</sup>	Wura Resources Pty Ltd SARL	100%	No 2012 12-205/MCE/SG/DGMGC	27/09/12	30/12/14	EL	247.7	Zounweogo Province
<b>Zam Sud</b> <sup>(3)</sup>	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>								

#### **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 exploration results and 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.

#### **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](http://www.westafricanresources.com) and on profile of Channel Resources Ltd (now a subsidiary of the Company) on [www.sedar.com](http://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](http://www.sedar.com).



## APPENDIX 1 - JORC 2012 TABLE "1"

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The area of the Mankarga 5 resource was drilled using Reverse Circulation (RC), Aircore (AC) and Diamond drill holes (DD) on a nominal 50m x 25m grid spacing. A total of 502 AC holes (17,705.5m), 18 DD holes (3,162.5m) and 4 RC drill holes with diamond tails (1,156.6m) were drilled by West African Resources (WAF) in 2013-2014. A total of 60 RC holes (7,296.2m) and 71 DD holes (15,439.6m) were drilled by Channel Resources (CHU) in 2010-2012. Holes were angled towards 120° or 300° magnetic at declinations of between -50° and -60°, to optimally intersect the mineralised zones.</li> <li>All RC samples were weighed to determine recoveries. WAF and CHU RC samples were split and sampled at 1m and 2m intervals respectively using a three-tier riffle splitter. Diamond core is a combination of HQ, HQ3, NQ2 and NQ3 sizes and all Diamond core was logged for lithological, alteration, geotechnical, density and other attributes. In addition, WAF Diamond core was logged for structural attributes. Half-core sampling was completed at 1m and 1.5m intervals for WAF and CHU respectively. QAQC procedures were completed as per industry standard practices (i.e. certified standards, blanks and duplicate sampling were sent with laboratory sample dispatches).</li> <li>CHU RC samples were dispatched to Abilab Burkina SARL (ALS Laboratory Group) in Ouagadougou. CHU DD samples were dispatched to SGS Burkina Faso SA (SGS) in Ouagadougou and WAF RC and DD samples were dispatched to BIGS Global Burkina SARL (BIGS) in Ouagadougou. The Diamond core samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis for gold by 50g standard fire assay method (FA) followed by an atomic absorption spectrometry (AAS) finish. WAF and CHU RC drilling was used to obtain 1m and 2m composite samples respectively from which 3 kg was pulverised (total prep) to produce a sub sample for assaying as above.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling in the resource area comprises NQ2, NQ3, HQ3 or HQ sized core. RC depths range from 13m to 204m and DD depths range from 49.5m to 410.2m. WAF Diamond core was oriented using an orientation spear with &gt;50% of orientations rated as "confident". RC and AC drilling within the resource area comprises 5.5 inch and 4.5 inch diameter face sampling hammer and aircore blade drilling</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are &gt;90% for the diamond core and &gt;70% for the RC; there are no core loss issues or significant sample recovery problems. A technician is always present at the rig to monitor and record recovery.</li> <li>Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination.</li> <li>The resource is defined by DD and RC drilling, which have high sample recoveries. No relationship between sample recovery and grade have been identified at the project. The consistency of the mineralised intervals and density of drilling is considered to preclude any issue of sample bias due to material loss or gain.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction,</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/geotechnical table of the database.</p> <ul style="list-style-type: none"> <li>Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (WAF DD only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form.</li> <li>All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Core was cut in half onsite using a CM core cutter. All samples were collected from the same side of the core.</li> <li>RC samples were collected on the rig using a three tier splitter. All samples were dry.</li> <li>The sample preparation for all samples follows industry standard practice. The samples were dispatched to the laboratory (as per section 'Sampling Techniques') where they were crushed, dried and pulverised to produce a sub sample for analysis. Sample preparation involved oven drying, coarse crushing, followed by total pulverisation LM2 grinding mills to a grind size of 90% passing 75 microns.</li> <li>Field QC procedures involve the use of certified reference material as assay standards, blanks and duplicates. The insertion rate of these averaged 3:20.</li> <li>Field duplicates were taken on 1m and 2m composites for WAF and CHU RC samples respectively, using a riffle splitter.</li> <li>The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The laboratory used an aqua regia digest followed by fire assay with an AAS finish for gold analysis.</li> <li>No geophysical tools were used to determine any element concentrations used in this Resource Estimate.</li> <li>Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 90% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained.</li> <li>Repeat or duplicate analysis for samples reveals that precision of samples is within acceptable limits. For Diamond core, one blank and one standard is inserted every 18 core samples and no duplicates. For RC samples, one blank, one standard and one duplicate is inserted every 17 samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>The CP has visually verified significant intersections in diamond core and RC drilling as part of the Resource Estimation process.</li> <li>Six RC holes and one diamond holes were twinned by diamond holes (2 drilled by WAF, 5 by CHU). Results returned from the twins were consistent with original holes.</li> <li>Primary data was collected using a set of company standard Excel™ templates on Toughbook™ laptop computers using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final Access™ database by the company's database manager.</li> <li>The results confirmed the initial intersection geology.</li> <li>No adjustments or calibrations were made to any assay data used in this estimate.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine</li> </ul>	<ul style="list-style-type: none"> <li>All drill holes have been located by DGPS in UTM grid WGS84 Z30N. WAF DD down hole surveys were completed</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>workings and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>every 25m and at the end of hole using a Reflex down hole survey tool. CHU DD down hole surveys were completed every 3m with a Reflex EZ-Trac survey tool and CHU RC holes were surveyed every 5m using a GYRO Smart survey instrument.</p> <ul style="list-style-type: none"> <li>• The grid UTM Zone 30 WGS 84 was used. A local grid orientated parallel to the strike of Mankarga (bearing 030 UTM) has recently been implemented and will be used for future work</li> <li>• DGPS was used for topographic control.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The nominal drill hole spacing is 50 m (northeast) by 20 m (northwest).</li> <li>• The mineralised domains have demonstrated sufficient continuity in both geology and grade to support the definition of Inferred and Indicated Mineral Resources as per the guidelines of the 2012 JORC Code.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The majority of the data is drilled to either magnetic 120° or 300° orientations, which is orthogonal/perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction.</li> <li>• No orientation based sampling bias has been identified in the data at this point.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Chain of custody is managed by WAF. Samples are stored on site and delivered by WAF personnel to BIGS Ouagadougou for sample preparation. Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used to track the progress of batches of samples.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• WAF personnel completed site visits and data review during the due diligence period prior to acquiring Channel Resources Ltd. No material issues were highlighted. During 2012 AMEC completed a site visit and data review as part of the NI43-101 report dated 29 July 2012. No material issues were noted. In May 2014 IRS completed a site visit and data review as part of this Resource Estimate.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Tanlouka Permit covers 115km<sup>2</sup>. The Company currently owns 90% of the permit and has a right to acquire the remaining 10% of the permit following the completion of a positive feasibility study, and making cash and share payments. The Tanlouka Permis de Recherche arrêté No 2012 000128/MME/SG/DGMG, covers 115km<sup>2</sup> and is valid until 27 January 2016. All licences, permits and claims are granted for gold. All fees have been paid, and the permits are valid and up to date with the Burkinabe authorities. The payment of gross production royalties are provided for by the Mining Code and the amount of royalty to be paid for ranges from 3% (&lt;US\$1300), 4% (US\$1300-1500) and 5% (&gt;US\$1500).</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Exploration activities on the Tanlouka permit by previous workers have included geological mapping, rock and chip sampling, geophysical surveys, geochemical sampling and drilling, both reverse circulation and core. This work was undertaken by Channel Resources personnel and their consultants from 1994 until 2012.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Tanlouka is located within a strongly arcuate volcano-sedimentary northeast-trending belt that is bounded to the east by the Tiébélé-Dori-Markoye Fault, one of the two major structures subdividing Burkina Faso into three litho-</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>tectonic domains. The geology of the Tanlouka area is characterized by metasedimentary and volcanosedimentary rocks, intruded by mafic, diorite and granodiorite intrusions. The Mankarga 5 area is characterised by a sedimentary pile which is mostly composed of undifferentiated pelitic and psammitic metasediments as well as volcanosedimentary units. This pile has been intruded by a variably porphyritic granodiorite, overprinted by shearing in places, and is generally parallel to sub-parallel with the main shear orientation. In a more regional context, the sedimentary pile appears “wedged” between regional granites and granodiorites. The alteration mineralogy varies from chloritic to siliceous, albitic, calcitic and sericite-muscovite. Gold mineralisation in the project area is mesothermal orogenic in origin and structurally controlled. The project area is interpreted to host shear zone type quartz-vein gold mineralisation. Observed gold mineralization at Mankarga 5 appears associated with quartz vein and veinlet arrays, silica, sulphide and carbonate-albite, tourmaline-biotite alteration. Gold is free and is mainly associated with minor pyrite, chalcopyrite and arsenopyrite disseminations and stringers.</p>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts that form the basis of this Resource Estimate have been released to the ASX in previous announcements (available on the WAF website) with appropriate tables incorporating Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay Data. Appropriate maps and plans also accompany this Resource Estimate announcement.</li> <li>Drilling completed by Channel Resources is documented in the publically available report “NI 43-101 Technical Report on Mineral Resources for the Mankarga 5 Gold Deposit Tanlouka Property, Burkina Faso for Channel Resources Ltd” prepared by AMEC Consultants and dated 17 August 2012.</li> <li>A complete listing of all drill hole details is not necessary for this report which describes the Mankarga5 Gold Resource and in the Competent Person’s opinion the exclusion of this data does not detract from the understanding of this report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All intersections are assayed on one meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t Au. Mineralised intervals are reported on a weighted average basis.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>The appropriate plans and sections have been included in the body of this document</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration</li> </ul>	<ul style="list-style-type: none"> <li>All grades, high and low, are reported accurately with “from” and “to” depths and “hole identification” shown</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary metallurgical test work was completed in 2012, with excellent results. Gold recoveries are up to 95% from oxide bottle roll tests, and up to 92% for sulphide bottle roll tests and a significant proportion of the gold is recoverable by gravity concentration. Further column test work was completed in 2014. Results showed that oxide material is amenable to conventional heap leach processing. Recoveries of between 84% and 90% were achieved.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>A program of dedicated metallurgical and geotechnical drill holes has commenced. Some grade control pattern test work is planned prior to commencing mining.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>WAF's have a central database with data templates set up with lookup tables and fixed formats are used for logging, spatial and sampling data. Data transfer is electronic via e-mail. Sample numbers are unique and pre-numbered bags are used. WAF project geologists also regularly validate assays returned back to drill core intercepts and hard copy results.</li> <li>Data was further validated on import into Vulcan™ mining software. Random checks of assay data from drill hole to database were completed.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person (CP) for the resource estimate, Mr Brian Wolfe, visited the Mankarga5 prospect in May 2014. This visit included inspection of drilling, drill sites, viewing local surface geology, and a review of drill core from several diamond holes drilled at Mankarga5 that form part of the resource estimate.</li> </ul>
<i>Geological interpretation</i>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The geological interpretation was based on geological information obtained from WAF's and Channel Resources Aircore, RC and diamond drilling programs. This included lithological, alteration, veining and structural data. WAF carried out a substantial drill hole relogging program of Channel's drilling to improve consistency of logging.</li> <li>The mineralised shear hosting mineralisation can be traced on 50m spaced sections over approximately 3km. The mineralisation interpretation utilised a 0.3 g/t Au edge cut-off for overall shear zone mineralisation.</li> <li>A 3D geological model of the major lithologies and alteration was constructed and used to assist in guiding the mineralisation interpretation</li> <li>The interpretation was developed by Mr Chris Hughes of WAF and reviewed and refined by the CP.</li> <li>No alternate interpretations were considered as the model developed is thought to represent the best fit of the current geological understanding of the deposit and is supported by surface mapping.</li> <li>In the CP's opinion there is sufficient information available from drilling/mapping to build a reliable geological interpretation that is of appropriate confidence for the classification of the resource (Indicated/Inferred).</li> </ul>
<i>Dimensions</i>	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>The resource extends over an area of approximately 3,000m of strike, 200m width and is interpreted to a depth of 300m below surface.</li> </ul>



Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	<ul style="list-style-type: none"> <li>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of by-products.</li> <li>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>Geological and mineralisation constraints were constructed in cross section in Micromine and then imported and refined in Vulcan. The constraints thus developed were subsequently used in geostatistics, variography, block model domain coding and grade interpolation.</li> <li>Multiple indicator kriging was selected as the most appropriate method for estimating Au, the main element of economic significance. Some minor domains were estimated via ordinary kriging due to paucity of data and 3D data configuration. Samples were composited to 3m, which is the most common sample interval</li> <li>A block size of 10m E by 25m N by 10m RL was selected as an appropriate block size for estimation given the drill spacing (50m strike spacing) and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining).</li> <li>Variography from the main domains indicated a moderate nugget of approximately 30% to 40%, with maximum range of 100m to 200m (strike), intermediate range of (dip) 50m to 100m and minor axis of 10m to 20m. Elliptical search neighbourhoods within domains were used orientated parallel to the orientation of the shear. Search ranges were based on the variograms and were typically 150m along strike, 1500m down dip and 30m across strike. Indicator variography was modelled for input to MIK grade estimates. Typically 17 grade cutoffs were chosen per domain and every second indicator variogram calculated and modelled. Intermediate indicator variogram parameters were interpolated based on the bounding modelled variograms.</li> <li>Wireframed mineralisation domains were used as "hard boundaries" for estimation. Oxide and transitional mineralisation were estimated together with the fresh/sulphide mineralisation.</li> <li>High grade cutting is not a necessary process in the context of MIK grade estimation, however high grade cutting was undertaken prior to the experimental variogram calculations. High grade cuts were typically light and were considered to have a negligible effect on the overall mean grades. High grade cutting was used in calculation to the conditional grade statistics as input to the change of support process.</li> <li>The block model estimates were validated by visual comparison of whole block grades (etype) to drill hole composites, comparison of composite and block model statistics, generating grade shells and visually assessing them and swath plots of composite versus whole block model grades.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>The tonnages in the estimate are for dry tonnage with no factoring for moisture.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The most likely development scenario for the deposit is as an open cut (pit) mine. Based on this assumption reporting cut-offs of 0.5 g/t Au and 1.0 g/t Au are appropriate with the cut-off dependent on the scale of any potential future operation.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Open pit mining is assumed and this has been factored into the grade estimates. A selective mining unit dimension of 5m E by 12.5m N by 5m RL has been selected as appropriate and used as input to the change of support process.</li> <li>No additional mining dilution has been applied to the reported estimate as the estimation method can be considered to incorporate dilution</li> <li>There are minor artisanal gold workings in the project area. Production from these is understood to be minimal so no mining depletion has been applied to the</li> </ul>



Criteria	JORC Code explanation	Commentary
		model.
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary metallurgical test work was completed in 2012, with excellent results. Gold recoveries are up to 95% from oxide bottle roll tests, and up to 92% for sulphide bottle roll tests and a significant proportion of the gold is recoverable by gravity concentration. Further column test work was completed in 2014. Results showed that oxide material is amenable to conventional heap leach processing. Recoveries of between 84% and 90% were achieved.</li> </ul>
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The prospect is at early stage of assessment and no environmental factors have considered in this model estimate. These factors will be evaluated as part of a future study</li> <li>It is the CP's understanding that no environmental factors have currently been identified which would impact the resource estimate reported here.</li> </ul>
<i>Bulk density</i>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>The prospect area is moderately to deeply weathered /oxidised with the top of fresh rock over mineralised zones around 50 to 60 metres below surface.</li> <li>Bulk densities are based upon 5,198 density measurements completed by WAF (carried out internally) and Channel Resources (carried out by SGS laboratories). Both utilised industry standard immersion techniques.</li> <li>Sufficient bulk density data exists to enable estimation of bulk density via ordinary kriging. Average densities as reported from the model are 2.67, 2.44, 2.25 and 2.0 for the fresh, transition, weakly oxidised and strongly oxidised respectively</li> <li>All are dry densities and void spaces in core are understood to be negligible.</li> </ul>
<i>Classification</i>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>The quality of estimate criteria were reviewed spatially and used to assist in resource classification. Areas within the Hanging Wall and Footwall zones that had high confidence estimate values, had sufficient drilling density (&lt;50m spaced drilling) or were proximal to 50m by 25m spaced drill lines were assigned as Indicated Resources. The remainder was classified as Inferred.</li> <li>Based upon the drill spacing, quality of data, current confidence in the geological understanding of the deposit, continuity of mineralisation and grade it is the Competent Person's opinion that the resource estimate meets the JORC 2012 Guidelines criteria to be classified as an Indicated and Inferred Resource.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<i>Discussion of relative accuracy/ confidence</i>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation</li> </ul>	<ul style="list-style-type: none"> <li>The quality of estimate as used to assist in resource classification reflects the number of samples used to estimate a block, the distance a block is from a sample, slope of regression and the kriging error (for ordinary kriged estimates). Blocks which were assigned to the Indicated Category typically were informed by at least 4 drill holes, were less than 50m from the nearest composite, had low kriging errors and had drilling spacing of approximately 50m by 25m. The remainder was classified as Inferred.</li> <li>The relative accuracy of the estimate is reflected in the Resource Classification of deposit as per the JORC 2012 Code and is deemed appropriate by the CP.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>should include assumptions made and the procedures used.</i></p> <ul style="list-style-type: none"> <li><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>At this stage the bulk estimate is considered to be a global estimate Artisanal mining production is very small and not well documented so reconciliation with the resource estimate reported here is not practical</li> </ul>