West African Resources Limited

(ABN 70 121 539 375)

Annual Financial Statements

for the year ended 30 June 2015

West African Resources Limited
(ABN 70 121 539 375)

CORPORATE INFORMATION

Directors

Mark Connelly (Non-Executive Chairman) (Appointed 23 June 2015)
Richard Hyde (Managing Director)
Simon Storm (Non-Executive Director)
Francis Harper (Non-Executive Chairman) (Resigned 23 June 2015)
Jean-Marc Lulin (Non-Executive Director) (Resigned 28 August 2015)
Colin Jones (Non-Executive Director) (Resigned 28 August 2015)

Company Secretary
Simon Storm

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STOCK EXCHANGE CANADA
TSX Venture Exchange
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SHARE REGISTRY AUSTRALIA
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West African Resources Limited

Highlights of the year included

Metallurgical testwork achieved recoveries of up to 90% gold – supporting plans for heap leach starter project

Scoping Study, NI 43-101 tech report and PFS completed for Mankarga 5

New high grade zone identified at Mankarga 5

US$5 million facility from Macquarie to complete Feasibility Study

Significant progress on BFS, expected to be complete by the end of 2015

Project financing negotiations commenced

Drilling completed at Mankarga 5 and Mankarga 1

Potential to add further tonnes to resource inventory

Summary

During the year ended 30 June 2015, West African Resources completed 13,445m of drilling.

A summary of the drilling undertaken during the year is as follows:

Diamond:	2,909m
Reverse Circulation (RC):	165m
Auger:	4,480m
Aircore:	5,892m

The Company's focus is on developing the Mankarga 5 Gold Project as quickly as possible. A Scoping Study was completed in July 2014 and a positive Pre-Feasibility Study followed in February 2015.

West African is now progressing a Bankable Feasibility Study for the project and undertaking infill drilling to incorporate a resource upgrade into the BFS. It has appointed consultants to undertake activities regarding project financing and permitting for the project.

The Company is continuing to explore the Mankarga 5 deposit, and has also commenced exploration at Mankarga 1, the most advanced prospect adjacent to the Mankarga 5 Mineral Resource, giving the potential for additional oxide tonnes for the proposed heap leach starter project.

West African Resources Limited
Chairman's Address

Dear Shareholder

It gives me great pleasure to welcome you to the 2015 Annual Report for West African Resources Limited. Having only just stepped into the chair at the end of the reporting period, this is my first Annual Report for the Company but it is an exciting time to be at the helm.

The company has had a very productive year and has achieved all that we set out to do as we move closer to becoming a West African gold producer. We are on track to achieve that next year with our Mankarga 5 heap leach starter project in Burkina Faso. While market conditions have been difficult, particularly for companies in the project development stage as we are, we have worked hard to keep our exploration and administration costs to a minimum. It is a testament to our Managing Director Richard Hyde and his team to have achieved all that we have over the past year.

A Scoping Study for Mankarga 5 released early in the financial year demonstrated it to be a high-margin, low-Capex project, and we followed this by completing a Pre-Feasibility Study, released in February, that improved the project outlook even further.

Highlights of the PFS included:

- Pre-production capital of US$46.6 million, including US$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
- All-in site costs of US$538/oz for first 3 years, US$749/oz life of mine
- IRR of 63% with a 14 month payback of capital due to strong early project cash flow.

Working on these strong results, we are moving ahead with the Bankable Feasibility Study for the project, which we hope to have completed by the end of 2015. We are completing this in parallel with project financing negotiations in the hope that we can get Mankarga 5 into production as soon as possible, maximising the returns to our shareholders.

Meanwhile, we continue to undertake infill and exploration drilling at Mankarga 5 and have commenced exploration at the most advanced prospect adjacent to the deposit, Mankarga 1, in the hope that we can add further resources to our inventory.

I am excited about the year ahead and putting the experience from many years working in West Africa to use in my new role as Chairman. In the past I have worked with companies including Adamus Resources, Endeavour Mining and Papillion Resources, which merged with B2Gold Corp in a US$570 million deal, and I have experience in financing, development, construction and operation of mining projects in a variety of commodities, including gold. I am hopeful I can provide strong leadership to West African at this important time in our history.

I thank our Shareholders for your continued support, and I look forward to sharing this journey with you as we transition from gold explorer and developer to West Africa's next gold producer.

Mark Connelly
Chairman

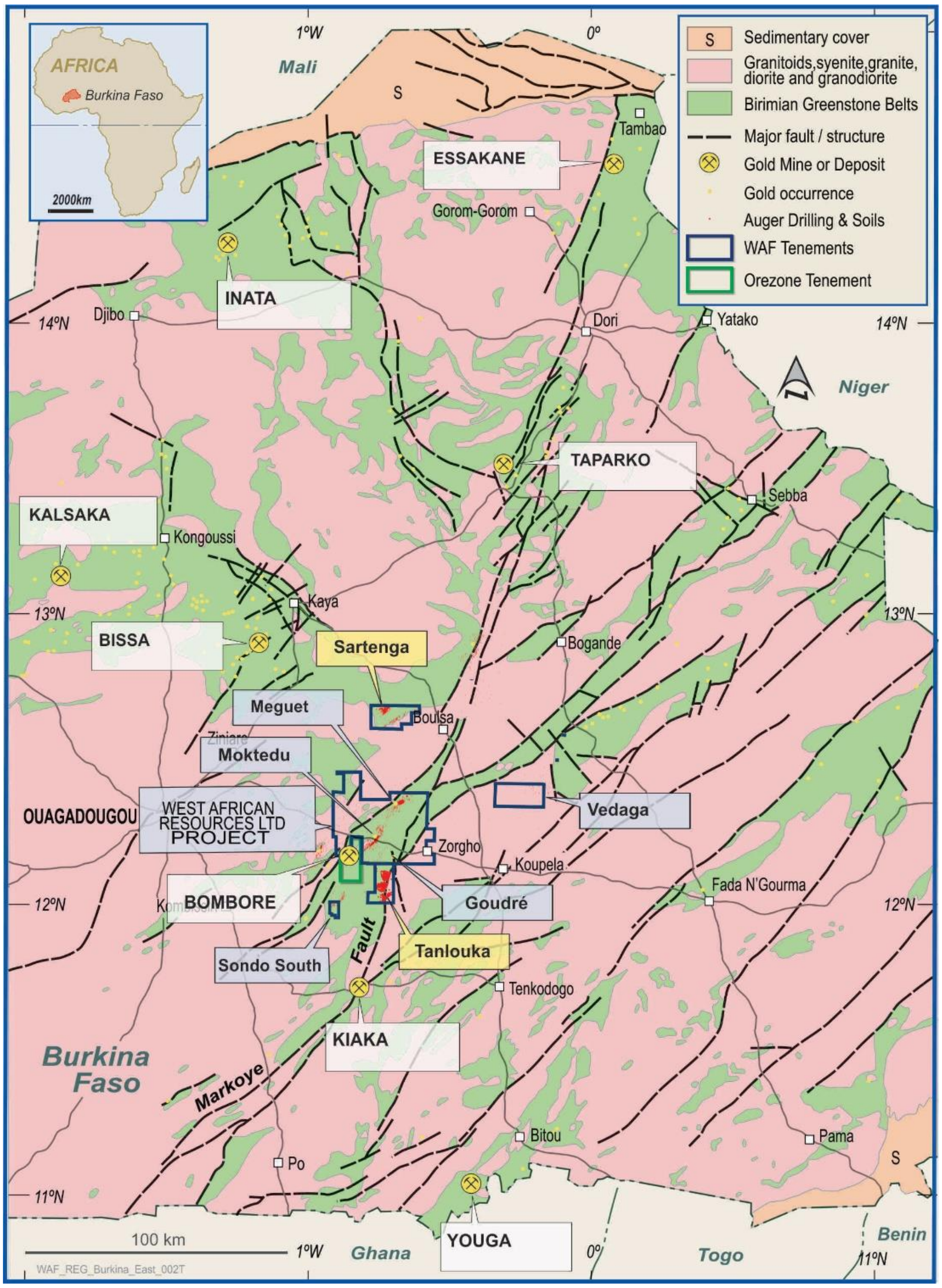
REVIEW OF OPERATIONS

Mankarga 5 Gold Project (Tanlouka Permit), Burkina Faso

Background

West African completed the acquisition of the Mankarga 5 deposit, located on the Tanlouka Permit (Figure 1), from Channel Resources in January 2014. The Company aims to be a +50,000oz per annum gold producer in 2016 via a low-cost heap leach starter project at Mankarga 5. It has purchased a second-hand 1.6Mtpa heap leach plant and in July 2014, completed a successful scoping study for the project.

Figure 1 – Tanlouka Project Location



Scoping Study

West African released a Scoping Study for the Mankarga 5 project on 29 July 2014 which demonstrated it as a high-margin, low-Capex gold project.

Highlights of the study included:

- Pre-production capital of $35 million plus working capital and contingency of $9 million
- IRR of 57% with a 16-month payback on initial capital
- Free cash flow of $103 million after capital costs
- NPV5% of $84 million
- Estimated average annual gold production of 59,400 ounces for first three years
- Estimated average annual gold production of 44,100 ounces for life of mine
- Current study mine life of 5.4 years
- Life of mine strip ratio 1:1
- Cash costs of $614/oz
- All-in sustaining cash costs of $685/oz (including cash costs, royalties, refining and sustaining capital).

The study demonstrated positive results for a starter project focusing on the oxide portion of the Mankarga 5 resource.

Metallurgical Testwork

In October, West African reported metallurgical test work results from Mankarga 5 that demonstrated outstanding gold recoveries and confirmed the heap leach suitability of oxide ore.

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

Highlights:

- Gold recoveries of up to 90% and averaging 86% in column test work
- Rapid leach kinetics with strongly oxidised ore gold recoveries of 75% after 7 days.
- Gold recoveries for all ore types more than 50% after 7 days.
- Low to moderate cement addition of 5kg to 10kg per tonne.
- Low cyanide consumption of 0.2 – 0.4 kg/t NaCN.
- High percolation rates with low slumping.
- Very low Abrasion and Ball Mill Work Indices indicate that the wear rates and power consumption will be low to very low by industry standards.

Further metallurgical test work holes were drilled during the December quarter, with approximately 1.5 tonnes of whole drill core airfreighted to ALS Ammtec in Perth. Results from this work will be incorporated into the Bankable Feasibility Study.

Pre-Feasibility Study

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. 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 NPV5% of $117 million, Post-Tax NPV5% 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
- Limited exploration conducted to date, numerous drill targets within trucking distance of the proposed plant site.

Table 1: Mankarga 5 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:

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.

Production targets for the proposed heap leach starter project referred to in this announcement were first released to the ASX and TSXV on 23 February 2015. They are preliminary and there is no certainty that the production targets, or the forecast financial information derived from the production targets, will be realised. All material assumptions underpinning production targets or forecast financial information derived from production targets continue to apply and have not materially changed.

Perth-based independent engineering consultancy Mintrex Pty Ltd managed the PFS, completing it to a ± input cost estimate and assuming a throughput of 1.6Mtpa in line with the capacity of the plant purchased by West African.

The base case assumes 100% project basis and a gold price of $1300/oz, with all amounts in US dollars unless otherwise stated.

Table 2: PFS Economic Summary			
Pre-Tax (100%)	**$1,100/oz**	**$1,300/oz**	**$1,500/oz**
NPV0% ($M)	$79	$146	$208
NPV5% ($M)	$60	$117	$169
IRR %	39%	63%	81%
Payback (Months)	21	14	11
After-Tax (90%*)	**$1,100/oz**	**$1,300/oz**	**$1,500/oz**
NPV0% ($M)	$58	$110	$156
NPV5% ($M)	$42	$86	$125
IRR %	30%	50%	66%
Payback (Months)	26	16	13

* Allows for 10% free carried Government interest

Bankable Feasibility Study

West African executed final documentation with the Metals and Energy Capital Division of Macquarie Bank Limited ("Macquarie") for a two-year US$5 million convertible loan facility to enable it to complete a Bankable Feasibility Study and completed drawdown of the facility on 23 December 2014.

West African appointed Mintrex as the lead consultant and Mr Lyndon Hopkins as Study Manager.

Project Financing

The Company intends to finance development of Mankarga 5 predominantly with senior debt to minimise equity dilution and maximise shareholder returns. It engaged Nick Harch, Managing Director of resource investment advisory firm Orimco Pty Ltd and former Macquarie Bank Executive Director, to undertake project finance discussions with potential lenders.

Permitting

West African appointed Knight Piesold Pty Ltd to monitor and assess the studies required to meet environmental legislation requirements for a Mining Permit application. 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.

Resource Upgrade

Resource upgrade drilling commenced in the March quarter, 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.

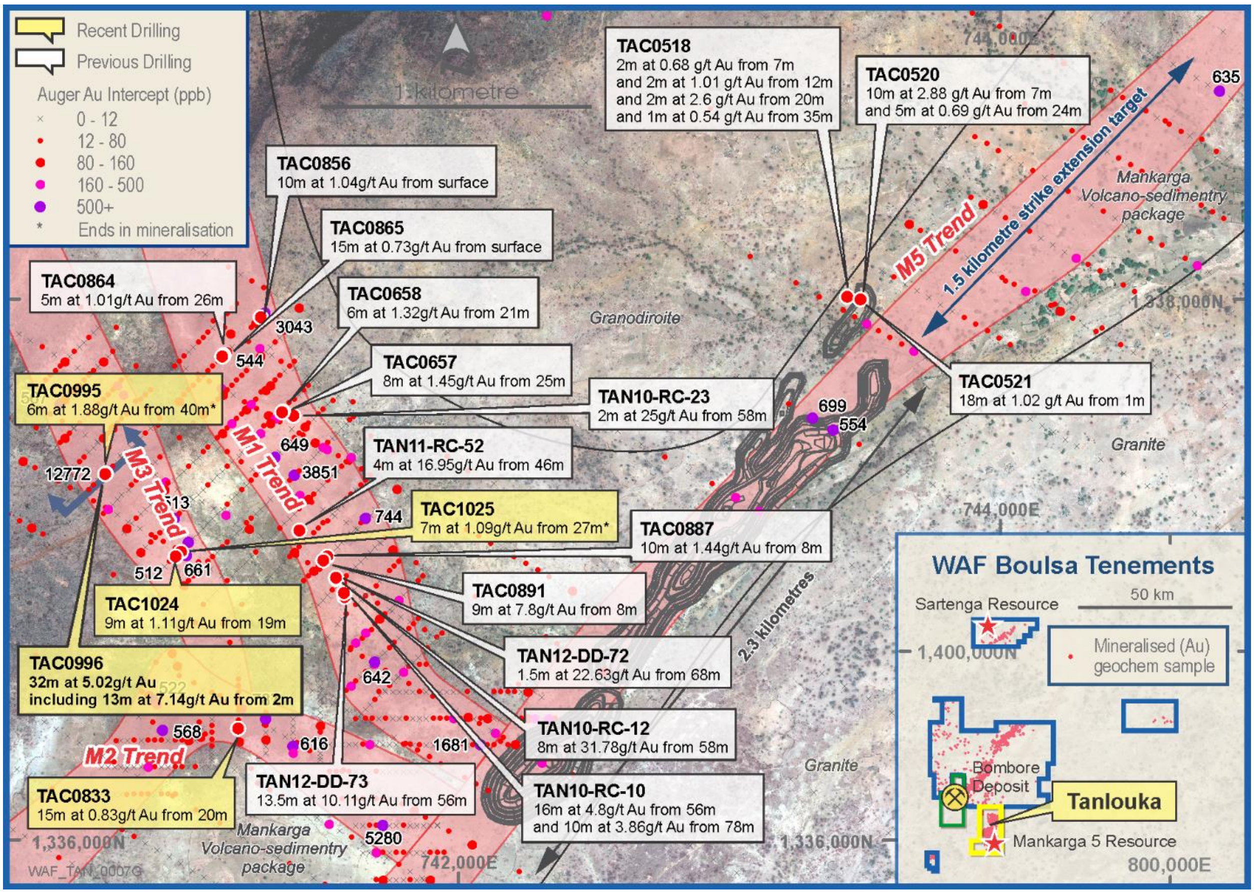
Exploration

Diamond drilling results received during the December quarter confirmed potential for a Stage 2 carbon-in-leach (CIL) project at Mankarga 5, demonstrating excellent grade continuity beneath the proposed oxide starter pit that West African intends to treat by conventional heap leach processing. Results included:

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

Late in the reporting period, West African announced results from auger drilling along strike to the northeast of the Mankarga 5 deposit which demonstrated the continuation of mineralisation. In total 245 auger holes, with an average depth of 5.3m, were drilled along strike of the M5 resource area on lines oriented northeast - southwest, on a 200m by 50m grid. Sampling returned a peak result of 635 ppb Au (0.64g/t Au) with other high tenor results of 228 ppb Au, 224 ppb Au and 218 ppb Au.

Figure 2: Mankarga Exploration Summary Plan



Other Prospects

There are a number of drill-ready prospects within a short trucking distance from the Mankarga 5 starter project which have potential to add further plant feed to the 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).

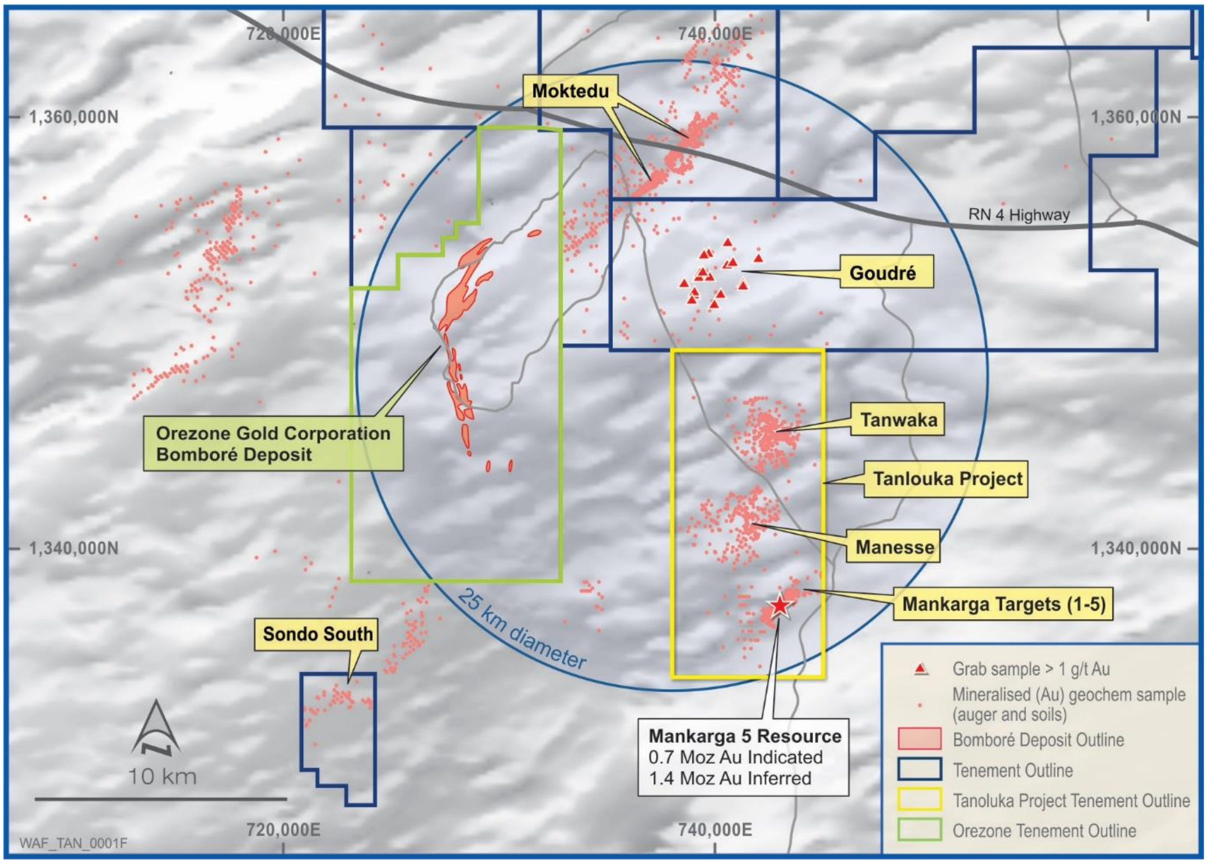
Mankarga 1 is the most advanced prospect and located approximately 500m northwest of the Mankarga 5 Mineral Resource. WAF geologists have completed detailed prospect and structural mapping of the area. Mankarga 1 comprises similar rock types and stratigraphy to Mankarga 5, however the major difference 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 with pits down to 30m depth.

Channel Resources drilled approximately 23 RC holes and five 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.

First results from shallow reverse circulation (RC) oxide drilling at Mankarga 1 undertaken in the June quarter intercepted oxide mineralisation beneath historic artisanal workings, with two scissor holes ending in mineralisation. TAC0657 and TAC0658 both ended in quartz veining and returned 8m at 1.5g/t Au and 6m at 1.3g/t Au respectively. These results are up dip of historic RC hole TAN10-RC-23, drilled in 2010, which returned high-grade results of 2m at 25g/t Au from 58m. It is expected that oxide mineralisation from M1 will exhibit similar metallurgical characteristics to M5 oxides, therefore will be amenable to heap leach processing.

Gold mineralisation at M1 has not been included in the project resource inventory to date, but will be added to the BFS.

Figure 3 – Project Location surrounding exploration prospects and deposits



Other Permits

West African holds a number of permits surrounding the Tanlouka Permit where Mankarga 5 is located.

However, the Company is focused on getting Mankarga 5 into production and did not complete exploration on these permits during the reporting period.

CORPORATE

Macquarie Bank Loan Facility

As announced on 29 October 2014, West African signed a committed term sheet for a two-year US$5 million convertible loan facility with the Metals & Energy Capital Division of Macquarie Bank Limited. Drawdown of the facility was completed on 23 December 2014.

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

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

- Committed loan facility for up to US$5 million, to be drawn down as a single loan.
- Cash interest is payable on the facility.
- Bullet repayment on the earlier of 30 September 2016 and the date on which WAF receives proceeds from a project financing or capital raising.
- Drawdown of the Facility was subject to a number of conditions, including the issue of 40,545,224 unlisted options (Options), exercisable at A$0.14 on or before 30 September 2017 to Macquarie. Any funds received by

WAF through the conversion of the Options will be applied against the outstanding Facility amount, reducing the outstanding debt owed to Macquarie.

- The Facility is secured against all assets of WAF and its wholly-owned subsidiary, Channel Resources Limited.
- The Convertible Loan Agreement contains other customary features, including customary representations and warranties, undertakings and events of default for facilities of this nature.

Appointment of Non-Executive Chairman

In June 2015, Mark Connelly was appointed Non-Executive Chairman of West African Resources.

Mr Connelly is the former Managing Director and Chief Executive Officer of Perth based Papillon Resources Limited, a gold developer with Malian assets, which recently merged with Vancouver-based B2Gold Corp in a US$570 million deal. Prior to this he was Chief Operating Officer of Endeavour Mining Corporation following its merger with Adamus Resources Limited where he was Managing Director and CEO.

Mr Connelly has more than 28 years of experience in the mining industry, and has held senior executive positions with Newmont Mining Corporation and Inmet Mining Corporation. He has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities including gold, base metals and other resources in West Africa, Australia, North America and Europe.

Mr Connelly replaced Mr Francis Harper, who resigned from the board.

Resignation of Non-Executive Directors

In August 2015, Non-Executive Directors Jean-Marc Lulin and Colin Jones have resigned from the Board. The resignations come as West African looks to reduce its operational expenditure while continuing to develop the Tanlouka Gold Project in Burkina Faso.

Richard Hyde
MANAGING DIRECTOR

Competent Person's Statement

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 Richard Hyde, a Director, who is a Member of The Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Hyde has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (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 Hyde 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 Nigel Spicer, an independent consultant specialising in mining engineering. Mr Spicer is a Member of the Institute of Material, Mining and Metallurgy and the Australian Institute of Mining and Metallurgy. Mr Spicer 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 Spicer 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.

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including information relating to West African's future financial or operating performance may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. In the case of West African, these facts include their anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if a mineral property is developed.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding; gold price fluctuations; recent market events and conditions; risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licenses and permits; risks related to their business being subject to environmental laws and regulations; risks related to their mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to their directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect West African's forward-looking information. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information.

West African's forward-looking information is based on the reasonable beliefs, expectations and opinions of their respective management on the date the statements are made and West African does not assume any obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to West African, please refer to West African's financial statements and related MD&A, all of which are filed on SEDAR at www.sedar.com.

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

Your Directors submit the annual financial report of the consolidated entity for the financial year ended 30 June 2015. 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 year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mark Connelly BBus MAICD
Non- Executive Chairman (Appointed 23 June 2015)

Mr Connelly is the former Managing Director and Chief Executive Officer of Perth based Papillon Resources Limited, a gold developer with Malian assets, which recently merged with Vancouver-based B2Gold Corp in a US570 million deal. Previously he was Chief Operating Office of Endeavour Mining Corporation following its merger with Adamus Resources Ltd where he was Managing Director and CEO.

Mr Connelly is a member of the Audit Committee.

Mr Connelly has been a director of the following listed companies during the past three years.

Company	Position	Appointed	Ceased
B2 Gold Corp	Director	3/10/14	-
Ausdrill	Director	25/7/12	-
Manas Resources Ltd	Director	1/1/13	10/6/15
Endeavour Mining Corporation Ltd	Director	5/12/11	17/12/12

Richard Hyde BSc (Geology and Geophysics), MAusIMM, MAIG
Managing Director

Richard Hyde is a geologist with more than 15 years experience in the minerals industry including over 5 years experience operating in West Africa. Richard has worked in a number of different geological environments in Australia, Africa and Eastern Europe. Mr Hyde has managed large exploration projects and worked extensively within the industry as Regional Manager - West Africa, and as a Senior Consultant with RSG Global based in West Africa and Australia.

Simon Storm BCom, BCompt (Hons) FGIA, CA
Non- Executive Director and Company Secretary

Simon Storm is a Chartered Accountant with more than 25 years of Australian and international experience in the accounting profession and commerce. He commenced his career with Deloitte Haskins & Sells in Africa then London before joining Price Waterhouse in Perth. He has held various senior finance and company secretarial roles with listed and unlisted entities in the banking, resources, construction, telecommunications, property development and funds management industries. In the last 11 years he has provided consulting services covering accounting, financial and company secretarial matters to various companies in these sectors.

Francis Harper LLB (Hons), BEc
Non- Executive Chairman (Resigned 23 June 2015)

Francis Harper is a director of Blackwood Capital Limited which manages private equity funds primarily for high net worth clients in Australia and the USA. Blackwood has also raised over $500 million for listed mining and other companies within the last 5 years.

Prior to forming Blackwood Capital, he spent 15 years with NM Rothschild in senior positions within resources corporate finance in the UK, the USA and Australia. He is a director of a number of unlisted industrial companies and is Chairman of Manas Resources Ltd.

Mr Harper has been a director of the following listed company during the past three years.

Company	Position	Appointed	Ceased
Manas Resources Ltd	Chairman	8/4/08	16/7/12

Jean-Marc Lulin P.Geo., PhD

Non-Executive Director (Resigned 28 August 2015)

Jean-Marc Lulin is a senior mining executive with 30 years of experience in North America, Africa and Europe. Since June 2003, he has been President, CEO and Director of TSXV listed company Azimut Exploration Inc. He was formerly the President and COO for Channel Resources (1996-2001), Vice President West Africa for Channel Resources (1995-1996) and has extensive West African experience.

Mr. Lulin was involved in the discoveries of several important deposits, notably the Bombore, Bouroum and Goulagou gold deposits in Burkina Faso (resources of 2.5 million ounces) with Channel Resources, the Douay gold deposit and Lac Knife flake graphite deposit in Quebec with Vior-Mazarin, and Meponda, a large niobium-tantalum-uranium-rare earth occurrence in Mozambique with the BRGM. During his career, Mr. Lulin visited 190 mines and advanced projects in 16 countries.

Colin Jones BSc (Earth Sciences) MAusIMM

Non-Executive Director (Resigned 28 August 2015)

Colin Jones has 30 years of experience as a mining, exploration and consulting geologist. He has worked on all continents on producing mines, as part of feasibility teams and also in exploration. He was most recently Executive Vice President at Dundee Resources Ltd in Toronto. From 1998 to 2006, Mr. Jones served as Partner and Manager Audits for RSG Global and from 1994 to 1998, he served as an Exploration Manager for Freeport Indonesia. He has been a Director of Helio Resource Corp. since January 21, 2008 and Premium Exploration, Inc. since July 2010. Mr. Jones served as a Director of Odyssey Resources Ltd from January 2008 to September 2008 and is currently a non-executive Director of Geodrill Ltd (TSXV:GEO) and of Eurotin Inc. (TSXV:TIN).

Dividends

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

Principal Activities

The principal activity of the Group during the financial year was mineral exploration and feasibility study work focussing primarily on the Boulsa Gold project within Burkina Faso.

There have been no significant changes in the nature of those activities during the year.

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 year and its future business strategies.

Operating results for the year

The net loss of the Group for the financial year ended 30 June 2015 was $7,691,331 (2014: $14,036,613).

Revenue

Revenue comprised interest received and net foreign exchange gains. Interest was down 73% on prior year as a consequence of lower AUD cash balances and lower interest rates. Net foreign exchange gains were up due to the stronger USD conversion rates on utilisation of the USD 5 million loan.

Expenses

During the year, the Company continued exploration activities and commenced a feasibility study at its Markarga 5 permit on the Tanlouka project in Burkina Faso, together with administrative expenses required to support those exploration activities. An updated Pre-Feasibility Study for an oxide heap leach starter project at Mankarga 5 was completed and released in May 2015. Feasibility and scoping studies costs increased 281% to $1,094,576 (2014: $286,935). Furthermore, included in exploration expenses for the prior year is the exploration property interests acquired on the acquisition of Channel Resources Limited. Consistent with the Company's accounting policy, $8,406,818 comprising exploration property interests was expensed in 2014. This explains the reason for expenditure on exploration decreasing 75% to $3,089,850 (2014: $12,547,864).

Share based payments expense increased by 869% compared to 2014 as a consequence of incurring the facility fee in connection with the Macquarie loan and bringing to account a share based payment expense in respect of 40.5 million options issued to Macquarie. These options were valued using the Black Scholes valuation methodology and resulted in $2.183 million being brought to account as a non-cash share based payment expense

Cash and cash equivalents at 30 June 2015 increased by 39% to $3,511,892 (2014:2,522,917).

Operating cash flows
Cash outflows from operating activities were consistent with the prior year.

Investing cash flows
Cash outflows from investing activities decreased by 98% to $28,132 (2014:$1,119,412) due to the purchase of Channel Resources Limited in 2014.

Financing cash flows
Cash flow from financing activities increased by 9% to $6,018,519 (2014:$5,498,400) due to the drawdown of the USD5 million loan facility.

Statement of financial position

Current assets
Current assets increased by 37% to $3,628,036 (2014: $2,639,600) mainly due to cash and cash equivalents increasing 39% to $3,511,892 (2014:$2,522,917).

Non-current assets
Non-current assets decreased by 60% to $182,035 (2014: $450,592) mainly due to the depreciation charge for the year.

Current liabilities
Current liabilities increased by 11% to $668,450 (2014: $604,697) due to an increase in trade payables and accruals.

Debt position

The Company has a convertible loan for USD5 million and cash interest is payable on the facility. A term of the agreement is a bullet repayment on the earlier of 30 September 2016 and the date on which WAF receives proceeds from a project financing or capital raising to fund the project. The facility is secured against all assets of WAF and its wholly-owned subsidiary Channel Resources Ltd. In the opinion of management, the fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Operational activities for the year

During the year, the Group undertook the following operational activities.

A drilling program continued mainly on the Markarga 5 prospect, and the following provides a summary of that drilling activity completed during the year:-

	Drilling by Quarter									
	Sep-14		Dec-14		Mar-15		Jun-15		TOTAL	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Diamond	*10*	**1,459**	*5*	**245**	*10*	**1,205**			*25*	**2,909**
RC					*2*	**165**			*2*	**165**
Auger							*710*	**4,480**	*710*	**4,480**
Aircore	*87*	**2,504**					*158*	**3,387**	*245*	**5,891**
RAB									-	**-**
	97	**3,963**	*5*	**245**	*12*	**1,370**	*868*	**7,867**	*982*	**13,445**

During the various quarters the following provides a summary of the Company's operational activities:-

September 2014 Quarter

- Carbon-in-leach (CIL) potential confirmed at Mankarga 5, Burkina Faso
- Diamond drilling beneath oxide starter pit reinforced potential for stage 2 CIL operation
- Column test work achieved recoveries of up to 90% gold, supporting plans for heap leach starter project approach
- Scoping Study and NI 43-101 Technical Report detailing a positive Preliminary Economic Assessment (PEA) completed

December 2014 Quarter

- US$5m facility executed with Macquarie to complete Feasibility Study

March 2015 Quarter

- Results for Pre-Feasibility Study for Mankarga 5 Gold Project released
- 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

June 2015 Quarter

- Feasibility Study for Mankarga 5 Gold Project progressing rapidly
  - Probable Ore reserve of 440,000oz, life of mine strip ratio 2:1
  - Nearby drill ready oxide targets identified with potential to add to the base case

Corporate

In December 2014, 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 US$5 million facility is being utilised to provide all necessary funding to complete the Bankable Feasibility Study (BFS) for the Company's Mankarga 5 Heap Leach Gold Project in Burkina Faso.

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

- Committed loan facility for up to US$5 million, to be drawn down as a single loan.
- Cash interest is payable on the facility.
- Bullet repayment on the earlier of 30 September 2016 and the date on which WAF receives proceeds from a project financing or capital raising to fund the project.
- 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 to Macquarie. Any funds received by WAF through the conversion of the Options is to be applied against the outstanding Facility amount, reducing the outstanding debt owed to Macquarie.
- The Facility is secured against all assets of WAF and its wholly-owned subsidiary, Channel Resources Limited.

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

In June 2015, Mark Connelly was appointed Non-Executive Chairman of West African Resources.

Future Business Strategy

The Company's future business strategy includes the completion of a Feasibility Study for a heap leach starter project by September 2015, which will incorporate any positive results from ongoing exploration programs and raising project funding.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report, not otherwise disclosed elsewhere in this report.

Significant events after balance date

There has not been any matter or circumstance not otherwise disclosed that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Therefore, this information has not been presented in this report.

Remuneration report (Audited)

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

This report outlines the remuneration arrangements in place for Directors and Executives of West African Resources Limited (the "company").

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Group depends upon the quality of its Directors and Key Management Personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its compensation framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value;
- Significant portion of Executive compensation 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles in relation to variable Executive compensation.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution specifies that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to non-executive Directors of comparable companies when undertaking a review process.

The compensation of non-executive Directors for the year ended 30 June 2015 is detailed below.

B. Details of remuneration for the year ended 30 June 2015

Directors		Short term benefits Director & Consulting Fees* (paid/payable)	Share based payments Options	Share based payments Shares	Total	% Performance related	% Remunerations consisting of options
Mark Connelly	**2015**	**-**	**-**	**-**	**-**	**-**	**0%**
Appointed 23/6/15	2014	-	-	-	**-**	-	0%
Francis Harper	**2015**	**34,327**	**-**	**-**	**34,327**	**-**	**0%**
Resigned 23/6/15	2014	35,000	29,263	-	64,263	-	46%
Richard Hyde	**2015**	**280,000**	**15,956**	**-**	**295,956**	**-**	**5%**
	2014	280,000	78,035	-	358,035	-	22%
Simon Storm	**2015**	**44,980**	**-**	**-**	**44,980**	**-**	**0%**
	2014	58,663	14,632	-	73,295	-	20%
Jean-Marc Lulin	**2015**	**35,000**	**-**	**-**	**35,000**	**-**	**0%**
Resigned 28/8/15	2014	15,944	-	-	15,944	-	0%
Colin Jones	**2015**	**35,000**	**-**	**-**	**35,000**	**-**	**0%**
Resigned 28/8/15	2014	11,764	-	-	11,764	-	0%
Stephen Ross	**2015**	**-**	**-**	**-**	**-**	**-**	**0%**
Resigned 28/2/14	2014	26,250	14,632	-	40,882	-	36%
Total	**2015**	**429,307**	**15,956**	**-**	**445,263**	**-**	**4%**
	2014	427,621	136,562	-	564,183	-	24%

C. Service agreements

The Company has entered into a consultancy agreement with Azurite Consulting Pty Ltd, an entity associated with Richard Hyde, for the term of 3 years, expiring 11 June 2016, for the provision of technical and corporate services. Annual fees payable to Azurite are $280,000 plus GST to be reviewed annually. The Company may terminate the consultancy agreement on 1 month's notice by paying 12 months of consultancy fees. Azurite may terminate the consultancy agreement due to breach or upon 3 months notice.

The Company has entered into a consultancy agreement with Dorado Corporate Services Pty Ltd, an entity associated with Simon Storm, for the provision of company secretarial and accounting services. These fees comprise a retainer of $3,745 per month together with fees of $165 per hour, where the number of hours each month exceeds 20 by Mr Storm.

D. Option holdings of Key Management Personnel (Consolidated)

30-Jun-15	Balance at beginning of period 1 Jul 2014	Options Exercised	Net Change Other	Balance at end of period 30 Jun 2015	Vested at 30 June 2015		
					Total	Exercisable	Not Exercisable
Directors							
Mark Connelly[1]	-	-	-	-	-	-	-
Francis Harper[2]	645,119	-	-	645,119	645,119	645,119	-
Richard Hyde	-	-	4,000,000	4,000,000	-	-	-
Simon Storm	-	-	-	-	-	-	-
Jean-Marc Lulin	125,000	-	(50,000)	75,000	75,000	75,000	-
Colin Jones	-	-	-	-	-	-	-
Total	**770,119**	**-**	**3,950,000**	**4,720,119**	**720,119**	**720,119**	**-**

[1] appointed 23 June 2015

[2] resigned 23 June 2015

30-Jun-14	Balance at beginning of period 1 Jul 2013	Options Exercised	Net Change Other	Balance at end of period 30 Jun 2014	Vested at 30 June 2014		
					Total	Exercisable	Not Exercisable
Directors							
Francis Harper[4]	1,500,000	-	(854,881)	645,119	645,119	645,119	-
Richard Hyde	4,000,000	-	(4,000,000)	-	-	-	-
Stephen Ross[3]	750,000	-	(750,000)	-	-	-	-
Simon Storm	750,000	-	(750,000)	-	-	-	-
Jean-Marc Lulin[1]	-	-	125,000	125,000	118,750	118,750	-
Colin Jones[2]	-	-	-	-	-	-	-
Total	**7,000,000**	**-**	**(6,229,881)**	**770,119**	**763,869**	**763,869**	**-**

[1] appointed 29 January 2014 - previous options held in Channel converted to West African options

[2] appointed 28 February 2014

[3] resigned 28 February 2014

[4] 645,119 options issued to an associate in consideration for Blackwood Capital Ltd facilitating the exercise of the options in January 2013, approved by shareholders on 27 November 2013, and expiry of 1,500,000 options.

Shares issued on Exercise of Compensation Options (Consolidated)

No shares were issued on exercise of compensation options in the year ended 30 June 2015 (30 June 2014: 1,900,000).

E. Share holdings of Key Management Personnel (Consolidated)

30-Jun-15	Balance at beginning of period 1 July 2014	Issued as Remuneration	Issued on Exercise of Options	Net Change Other	Balance at end of period 30 Jun 2015
Directors					
Mark Connelly[1]	-	-	-	-	-
Francis Harper[2]	19,019,725	-	-	(188,889)	18,830,836
Richard Hyde	16,050,000	-	-	-	16,050,000
Simon Storm	2,860,000	-	-	-	2,860,000
Jean-Marc Lulin	85,000	-	-	-	85,000
Colin Jones	-	-	-	-	-
Total	**38,014,725**	**-**	**-**	**(188,889)**	**37,825,836**

[1] appointed 23 June 2015
[2] resigned 23 June 2015

30-Jun-14	Balance at beginning of period 1 July 2013	Issued as Remuneration	Issued on Exercise of Options	Net Change Other	Balance at end of period 30 Jun 2014
Directors					
Francis Harper	18,012,725	-	-	1,007,000	19,019,725
Richard Hyde	16,050,000	-	-	-	16,050,000
Stephen Ross	1,750,000	-	-	-	1,750,000
Simon Storm	2,850,000	-	-	10,000	2,860,000
Jean-Marc Lulin	-	-	-	85,000	85,000
Colin Jones	-	-	-	-	-
Total	**38,662,725**	**-**	**-**	**1,102,000**	**39,764,725**

All equity transactions with Key Management Personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

F. Loans to Key Management Personnel (Consolidated)

No loans have been provided to Key Management Personnel during the year.

G. Transactions with Key Management Personnel (Consolidated)

	Consolidated	
	2015 $	2014 $
Directors		
The Director and Company Secretary, Mr Storm is a director and shareholder of Dorado Corporate Services Pty Ltd which has provided company secretarial and accounting services to the company on normal commercial terms. This excludes fees included as remuneration noted under section B of the Directors' Report.	**47,450**	43,650
The Managing Director's spouse has provided office premises for $440 per week at 14 Southbourne Street, Scarborough, Western Australia	**23,723**	-
The Director, Mr Harper, is a director and shareholder of Blackwood Capital Ltd which has provided consultancy and capital raising services to the company on normal commercial terms.	**-**	361,256
	71,173	404,906

End of Remuneration Report

Directors' Interests

The relevant interest of each director in the shares and options over shares issued by the Company at the date of this reports is as follows:

Directors	Ordinary Shares Direct Interest	Ordinary Shares Indirect Interest	Options Direct Interest	Options Indirect Interest
Mark Connelly	-	-	-	-
Richard Hyde	7,500,000	8,550,000	-	4,000,000
Simon Storm	-	2,860,000	-	-

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each director were as follows:

Director	Directors' Meetings A	Directors' Meetings B	Audit Committee Meetings A	Audit Committee Meetings B
Mark Connelly	0	0	0	0
Francis Harper	1	2	1	2
Richard Hyde	2	2	2	2
Simon Storm	2	2	2	2
Jean-Marc Lulin	2	2	2	2
Colin Jones	2	2	2	2

A - meetings attended

B - meetings held whilst a director

In addition, 6 circular resolutions recorded various decisions of the Board during the year.

Share Options

At the date of the report unissued ordinary shares of the Company under option are:

Grant date	Date of Expiry	Exercise Price	Date of report Number under Option
17-Sep-12	17-Sep-15	0.30	200,000
16-Jan-13	17-Jan-17	0.40	2,171,792
27-Nov-13	17-Jan-17	0.40	1,935,357
17-Jan-14	24-Nov-15 to 26-Jul-17	0.62-1.66	1,077,500
22-Dec-14	30-Sep-17	0.14	40,545,224
20-Feb-15	20-Feb-18	0.145	5,750,000
18-Aug-15	18-Aug-18	0.100	500,000
Total			**52,179,873**

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 report. This written Auditor's Independence Declaration is set out on page 52 and forms part of this Directors' Report.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated entity are important.

During the year under review, no fees were paid or payable to the current auditor for non-audit services.

The Board of Directors would consider the position, through the Audit Committee, and satisfy themselves that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the Directors need to ensure that

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

	Consolidated	
	2015 $	2014 $
The auditor of West African Resources Ltd is HLB Mann Judd.		
Audit or review of the financial statements	**26,285**	26,000
	26,285	26,000
Amounts received or due and receivable by non HLB Mann Judd audit firms		
Audit or review of the financial statements	**5,224**	6,252
	5,224	6,252

Signed in accordance with a resolution of the directors.

Richard Hyde
Director
Perth, 29 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue from continuing operations	**2(a)**	**10,765**	40,374
Other income		**-**	14,719
Foreign exchange gain	**2(a)**	**263,337**	18,908
Regulatory and compliance expense		**(93,757)**	(104,541)
Office expense		**(90,200)**	(146,392)
Depreciation expense	**2(b)**	**(294,853)**	(351,053)
Personnel expense		**(224,085)**	(204,851)
Travel and accommodation expense		**(15,769)**	(40,090)
Property expense		**(80,535)**	(97,034)
Consulting fee expense		**(636,510)**	(248,863)
Audit fees		**(33,004)**	(81,703)
Director's fees		**(104,327)**	(88,958)
Share based payments	**21**	**(2,219,079)**	(229,020)
Exploration related costs	**2(b)**	**(3,089,850)**	(12,547,864)
Feasibility and scoping studies	**2(b)**	**(1,094,576)**	(286,935)
Interest expense		**(268,366)**	-
Loss before tax		**(7,970,809)**	(14,353,303)
Income tax benefit	**3**	**279,478**	316,690
Loss after tax		**(7,691,331)**	(14,036,613)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(365,128)**	385,970
Other comprehensive income / (loss), net of income tax		**(365,128)**	385,970
Total comprehensive loss for the year attributable to the owners of West African Resources Ltd		**(8,056,459)**	(13,650,643)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic loss per share (cents per share)	**4**	**(2.8)**	(6.1)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
CURRENT ASSETS			
Cash and cash equivalents	**6**	**3,511,892**	2,522,917
Trade and other receivables	**7**	**81,983**	83,741
Financial assets	**8**	**34,161**	32,942
Total Current Assets		**3,628,036**	2,639,600
NON-CURRENT ASSETS			
Plant & equipment	**9**	**182,035**	450,592
Total Non-Current Assets		**182,035**	450,592
TOTAL ASSETS		**3,810,071**	3,090,192
CURRENT LIABILITIES			
Trade and other payables	**10**	**668,450**	604,697
Total Current Liabilities		**668,450**	604,697
NON-CURRENT LIABILITIES			
Borrowings	**11**	**6,493,506**	**-**
Total Non-current Liabilities		**6,493,506**	**-**
TOTAL LIABILITIES		**7,161,956**	604,697
NET (LIABILITIES)/ASSETS		**(3,351,885)**	2,485,495
EQUITY			
Issued capital	**12**	**32,173,325**	32,173,325
Reserves	**13**	**5,221,990**	3,368,039
Accumulated losses		**(40,747,200)**	(33,055,869)
TOTAL (DEFICIT)/EQUITY		**(3,351,885)**	2,485,495

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
		Inflows/(Outflows)	
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,032,725)**	(988,919)
Exploration related expenditure		**(3,495,255)**	(4,159,986)
Feasibility and scoping expenditure		**(991,309)**	(286,935)
Purchase of prospects and investments		**(20,792)**	(195,374)
Interest received		**13,546**	40,174
Interest paid		**(3,002)**	-
Other - R&D tax offset		**279,478**	316,690
Net cash outflow from operating activities	**6(i)**	**(5,250,059)**	(5,274,350)
Cash Flows from Investing Activities			
Purchase of plant and equipment		**(28,132)**	(163,880)
Purchase of equity investments		**-**	(4,367)
Payment for security deposit		**-**	(11,032)
Channel acquisition costs		**-**	(355,568)
Cash paid for acquisition of Channel		**-**	(1,877,493)
Cash taken up on acquistion of Channel		**-**	1,259,790
Proceeds from sale of investments		**-**	33,138
Net cash outflow from investing activities		**(28,132)**	(1,119,412)
Cash Flows from Financing Activities			
Proceeds from issue of shares		**-**	5,858,416
Proceeds from convertible note facility		**6,172,840**	-
Share issue related costs		**-**	(360,016)
Convertible note related costs		**(154,321)**	-
Net cash inflow from financing activities		**6,018,519**	5,498,400
Net increase/(decrease) in cash held		**740,328**	(895,362)
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		**248,647**	89,818
Cash at the end of the financial period	**6**	**3,511,892**	2,522,917

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	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 9 months net of transaction costs	11,664,880	-	-	-	11,664,880
Loss after tax	-	(14,036,613)	-	-	(14,036,613)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	385,970	-	385,970
Share based payments	-	-	-	1,104,489	1,104,489
Balance at 30 June 2014	32,173,325	(33,055,869)	428,304	2,939,735	2,485,495
Balance at 1 July 2014	**32,173,325**	**(33,055,869)**	**428,304**	**2,939,735**	**2,485,495**
Loss after tax	**-**	**(7,691,331)**	**-**	**-**	**(7,691,331)**
Net exchange differences on translation of the financial reports of foreign subsidiaries	**-**	**-**	**(365,128)**	**-**	**(365,128)**
Share based payments	**-**	**-**	**-**	**2,219,079**	**2,219,079**
Balance at 30 June 2015	**32,173,325**	**(40,747,200)**	**63,176**	**5,158,814**	**(3,351,885)**

The accompanying notes form part of these financial statements

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). We have also made such disclosures as considered necessary. 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 ASX on 11 June 2010.

Separate financial statements for West African Resources Limited, an individual entity, are no longer presented as a consequence of a change to the Corporations Act 2001. However, required financial information for West African Resources Limited as an individual entity is included in Note 23.

(b) Adoption of new and revised standards

In the year ended 30 June 2015, 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 year ended 30 June 2015. 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 and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Going concern

Notwithstanding the fact that the Company has a net liabilities position of $3,351,885 (2014: net assets $2,485,495), the directors are of the opinion that the Company is a going concern for the following reasons.

- The Group has successfully completed capital raisings during the prior year as disclosed in Note 12 and has the ability to continue doing so on a timely basis, pursuant to the Corporations Act 2001, as is budgeted to occur in the twelve month period from the date of this financial report;
- The Group has working capital of $2,959,586 (2014: $2,034,903) at balance date and expenditure commitments for the next 12 months of $864,750 (2014: $892,159), as disclosed in Note 15, and
- The Company and Group have the ability, if required, to undertake mergers, acquisitions or restructuring activity or to wholly or in part, dispose of interests in mineral exploration and development assets.

The Directors also anticipate that a further equity raising will be required and will be completed in the 2016 financial year. Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the statement of financial position.

(e) 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.

(e) Principles of Consolidation (continued)

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.

(f) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Income Tax

The income tax expense or benefit for the year is based on the profit or loss for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date.

Deferred tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Exploration and Evaluation Expenditure

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against profit or loss in the year in which the decision to abandon the tenement is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

(j) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(k) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(l) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

(o) Issued Capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(p) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(q) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(r) Share Based Payments

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes or Binomial option pricing models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(s) Foreign currency translation

Both the functional and presentation currency of West African Resources Limited and its Australian subsidiary is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

(s) Foreign currency translation (continued)

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign subsidiaries, Wura Resources Pty Ltd SARL, Swan Resources SARL, Hawthorn Resources SARL, West African Resources Exploration SARL, West African Resources Development SARL, West African Resources Ltd SARL and Tanlouka SARL is the Communaute Financiere Africaine Franc (CFA). The functional currency of the foreign subsidiary, Channel Resources Ltd is the Canadian Dollar (CAD). The functional currency of the foreign subsidiaries, Channel Resources (Cayman I) Ltd and Channel Resources (Cayman II) Ltd is the United States Dollar (USD).

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of West African Resources Limited at the rate of exchange ruling at the balance date and their income statements are translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(t) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(t) Financial assets (continued)

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(u) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(v) Acquisitions outside of the scope of AASB 3 Business Combinations

Where the Group has acquired control of another entity which principally holds exploration assets, or assets in predevelopment, and that entity has no reserves, the substance of the transaction is reviewed. If the sole purpose of the transaction is to increase the resource base of the Group, and the vehicle containing the assets was of no consequence to the underlying substance of the transaction, the transaction is viewed to be outside of the scope of AASB 3 Business Combinations.

The acquisition of Channel Resources Limited, in the prior year, is outside of the scope of AASB 3 Business Combinations as it did not meet the definition of "business" according to that standard. The acquisition of the net assets of these companies, excluding the cash and the financial assets, meets the definition of, and has been accounted for as, a share-based payment transaction for the acquisition of assets.

(w) Parent Entity Financial Information

The financial information for the parent entity, West African Resources Limited disclosed in Note 23 has been prepared on the same basis as the Group.

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2015 $	Consolidated 2014 $
(a) Revenue		
Interest received	**10,765**	40,374
Other income	**-**	14,719
Net foreign exchange gains	**263,337**	18,908
	274,102	74,001

The loss from ordinary activities before income tax has been determined after:

	Consolidated 2015 $	Consolidated 2014 $
(b) Expenses		
Depreciation of non-current assets	**294,853**	351,053
Exploration expenditure		
Exploration costs relating to the Channel acquisition	**-**	8,406,818
Exploration costs on the Company's projects	**3,089,850**	4,141,046
Feasibility and scoping studies	**1,094,576**	286,935
	4,184,426	12,834,799

NOTE 3: INCOME TAX

(a) Income tax recognised in profit or loss

No income tax is payable by the consolidated entity as they recorded losses for income tax purposes for the year.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	Consolidated 2015 $	Consolidated 2014 $
Accounting loss before tax	**(7,970,809)**	(14,353,303)
Income tax benefit at 30% (2014:30%)	**2,391,243**	4,305,991
Non-deductible expenses:		
Foreign exchange gain	**73,329**	25,698
Share based payments	**(665,724)**	(68,706)
Impairment of loan to controlled entity	**-**	(3,658,552)
Other non deductible expenses	**(1,380)**	(1,047)
Temporary differences not recognised	**23,906**	113,880
Unused tax losses not recognised	**(1,444,274)**	(717,264)
Accounting expenditure subject to R&D tax incentive	**(377,100)**	-
R&D tax incentive	**279,478**	316,690
Income tax benefit attributable to loss from ordinary activities before tax	**279,478**	316,690

NOTE 3: INCOME TAX (Continued)

	Consolidated	
	2015 $	2014 $
Unrecognised deferred tax balances		
Tax losses attributable to members of the group - revenue	**32,770,462**	28,773,566
Potential tax benefit at 30%	**9,831,139**	8,632,070
Deferred tax asset asset not booked		
Amounts recognised in profit & loss:		
-accrued expenses	**133,666**	54,712
-share issue costs	**107,880**	177,812
Net unrecognised deferred tax asset at 30%	**10,072,685**	8,864,594

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1(g) is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1(g) are satisfied.

NOTE 4: LOSS PER SHARE

	Consolidated	
	2015 Cents	2014 Cents
Basic and diluted loss per share (cents per share)	**(2.8)**	(6.1)
The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Loss for the year	**(7,691,331)**	(14,036,613)
Weighted average number of shares outstanding during the year used in calculations of basic loss per share	**270,301,498**	231,583,866

NOTE 5: SEGMENT REPORTING

The Group has applied AASB 8 Operating Segments from 1 July 2009. 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 now 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 the Boulsa Gold Project in Burkina Faso, Africa. The Group considers its business operations in mineral exploration to be its primary reporting function.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2015 $	2014 $
Cash at bank and in hand	**274,974**	408,604
Deposits at call	**3,236,918**	2,114,313
	3,511,892	2,522,917

Cash at bank earns interest at floating rates based on daily bank deposit rates

	Consolidated	
	2015 $	2014 $
(i) Reconcilation to Statement of Cash Flows		
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.		
Cash and cash equivalents as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	**3,511,892**	2,522,917

(ii) Reconciliation of loss after income tax to net cash flows from operating activities:

	Consolidated	
	2015 $	2014 $
Loss after income tax	**(7,691,331)**	(14,036,613)
Gain on sale of current financial assets	**-**	(14,719)
Depreciation	**294,853**	351,053
Share based payments	**2,219,079**	229,020
Foreign exchange (gain)/loss	**(263,337)**	(18,908)
Change in net assets and liabilities, net of effects from acquistion of business	**-**	8,016,796
	(5,440,736)	(5,473,371)
Changes in operating assets and liabilities, net of the effects of purchase of subsidiaries:		
(Increase)/decrease in trade and other receivables	**(19,472)**	(12,485)
(Decrease)/Increase in trade and other payables	**210,149**	211,506
Net cash (outflow) from operating activities	**(5,250,059)**	(5,274,350)

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015 $	2014 $
Current		
Prepayments	**6,509**	2,550
Other receivables	**75,474**	81,191
	81,983	83,741

All receivables are considered current and there were no receivables which are past due or impaired.

NOTE 8: OTHER FINANCIAL ASSETS

	Consolidated	
	2015 $	2014 $
Current		
Term deposit	**34,161**	32,942
	34,161	32,942

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Group				
	Buildings $	Office Equipment $	Plant & Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2014					
At 1 July 2013, net of accumulated depreciation	21,897	35,948	377,709	158,974	594,528
Effects of movement in foreign exchange	626	1,344	11,369	5,252	18,591
Additions	-	28,147	160,379	-	188,526
Depreciation charge for the year	(10,815)	(28,913)	(205,790)	(105,535)	(351,053)
At 30 June 2014, net of accumulated depreciation	11,708	36,526	343,667	58,691	450,592
Year ended 30 June 2015					
At 1 July 2014, net of accumulated depreciation	**11,708**	**36,526**	**343,667**	**58,691**	**450,592**
Effects of movement in foreign exchange	**(74)**	**(52)**	**(1,367)**	**(344)**	**(1,837)**
Additions	**3,041**	**24,264**	**828**	**-**	**28,133**
Depreciation charge for the year	**(11,046)**	**(30,107)**	**(201,829)**	**(51,871)**	**(294,853)**
At 30 June 2015, net of accumulated depreciation	**3,629**	**30,631**	**141,299**	**6,476**	**182,035**
At 30 June 2014					
Cost	31,588	153,847	1,225,420	776,224	2,187,079
Accumulated depreciation	(19,880)	(117,321)	(881,753)	(717,533)	(1,736,487)
Net carrying amount	11,708	36,526	343,667	58,691	450,592
At 30 June 2015					
Cost	**34,629**	**178,772**	**1,226,247**	**776,224**	**2,215,872**
Accumulated depreciation	**(31,000)**	**(148,141)**	**(1,084,948)**	**(769,748)**	**(2,033,837)**
Net carrying amount	**3,629**	**30,631**	**141,299**	**6,476**	**182,035**

The useful life of the assets was estimated as 3 years.

NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)

	Consolidated 2015 $	Consolidated 2014 $
Current		
Trade payables	**222,898**	422,325
Accruals	**90,908**	141,023
Interest payable	**265,364**	-
Other payables	**89,280**	41,349
	668,450	604,697

Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 11: BORROWINGS

	Consolidated 2015 $	Consolidated 2014 $
Non-current		
Loan	**6,493,506**	**-**
	6,493,506	-

Interest-bearing loans and borrowings	Consolidated			
Non-current interest-bearing loans and borrowings	Interest rate %	Maturity	30/06/2015	30/06/2014
7.95% secured loan of US$5,000,000	**LIBOR +7.5%**	30-Sep-16	**6,493,506**	-

(i) Information on Facility

A 7.95% secured 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 Company must repay the loan in full on the termination date which is the earlier of 30 September 2016 and the date on which the Group receives proceeds from a project financing or a capital raising.

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

(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	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Floating rate borrowings	**6,493,506**	-	**6,358,814**	-

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 12: ISSUED CAPITAL

	Consolidated	
	2015 $	2014 $
270,301,498 (30 June 2014: 270,301,498) fully paid ordinary shares	**32,173,325**	32,173,325

(a) Shares

(i) Ordinary shares - number	2015 No.	2014 No.
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 30 June 2015	**270,301,498**	270,301,498

	Consolidated	
(ii) Ordinary shares – value	2015 $	2014 $
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 30 June 2015	**32,173,325**	32,173,325

(b) Options

	Consolidated	
	2015 No.	2014 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**	-
Issue of options 20 February 2015	**5,750,000**	-
Expiry of options	**(4,351,250)**	(111,250)
Balance at 30 June 2015	**51,679,873**	9,735,899

(c) Warrants

	Consolidated	
	2015 No.	2014 No.
At start of period	**14,918,508**	-
Issue of warrants 17/1/14	**-**	14,918,508
Balance at 30 June 2015	**14,918,508**	14,918,508

NOTE 13: RESERVES

	Consolidated 2015 $	Consolidated 2014 $
Reserves	**5,221,990**	3,368,039
Reserves comprise the following:		
Foreign Currency Translation Reserve		
At start of period	**428,304**	42,334
Currency translation differences	**(365,128)**	385,970
Balance at 30 June 2015	**63,176**	428,304
Share Based Payments Reserve		
At start of period	**2,939,735**	1,835,246
Options issued - share based payment expense	**2,219,079**	229,020
Options issued - share issue costs	**-**	86,898
Warrants issued - investment	**-**	734,252
Options issued - investment	**-**	54,319
Balance at 30 June 2015	**5,158,814**	2,939,735

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of loans to foreign subsidiaries that are expected to be repaid in the long term and the translation of the financial statements of foreign subsidiaries.

Shared Based Payments reserve

The Shared Based Payments reserve is used to recognise the fair value of options issued to Directors, employees and other suppliers or consultants but not exercised.

NOTE 14: FINANCIAL INSTRUMENTS

Consolidated			Fixed Interest Rate Maturing				
30-Jun-15	Weighted Average Effective Interest Rate	Floating Interest Rate $	Within Year $	1 to 5 Years $	Over 5 Years $	Non-interest bearing $	Total $
Financial Assets:							
Cash & cash equivalents	**0.3%**	**274,974**	**268**	**-**	**-**	**3,236,650**	**3,511,892**
Trade and other receivables		**-**	**-**	**-**	**-**	**81,983**	**81,983**
Financial Assets		**-**	**34,161**	**-**	**-**	**-**	**34,161**
Total Financial Assets		**274,974**	**34,429**	**-**	**-**	**3,318,633**	**3,628,036**
Financial Liabilities:							
Trade and other payables		**-**	**-**	**-**	**-**	**668,450**	**668,450**
Borrowings	**7.95%**	**6,493,506**	**-**	**-**	**-**	**-**	**6,493,506**
Total financial liabilities		**6,493,506**	**-**	**-**	**-**	**668,450**	**7,161,956**

Consolidated			Fixed Interest Rate Maturing				
30-Jun-14	Weighted Average Effective Interest Rate	Floating Interest Rate $	Within Year $	1 to 5 Years $	Over 5 Years $	Non-interest bearing $	Total $
Financial Assets:							
Cash & cash equivalents	1.6%	408,604	2,005,571	-	-	108,742	2,522,917
Trade and other receivables		-	-	-	-	83,741	83,741
Financial Assets		-	32,942	-	-	-	32,942
Total Financial Assets		408,604	2,038,513	-	-	192,483	2,639,600
Financial Liabilities:							
Trade and other payables		-	-	-	-	604,697	604,697
Total financial liabilities		-	-	-	-	604,697	604,697

NOTE 15: EXPENDITURE COMMITMENTS AND CONTINGENCIES

Expenditure commitments contracted for:	Consolidated 2015 $	2014 $
Exploration Tenements		
In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and to meet the minimum expenditure requirements. These obligations are not provided for in the financial statements and are payable:		
- not later than 12 months	**864,750**	892,159
- between 12 months and 5 years	**3,094,692**	4,987,508
- greater than 5 years	**469,940**	-
	4,429,382	5,879,667

Contingent Liabilities

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 Boulsa 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; 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.

Other 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 16: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of West African Resources Limited and the subsidiaries listed in the following table.

Controlled entities	Country of incorporation	Percentage Owned 2015 %	Percentage Owned 2014 %
Parent Entity:			
West African Resources Ltd	Australia		
Subsidiaries of West African Resources Ltd:			
Wura Resources Pty Ltd SARL	Burkina Faso	**100**	100
Wura Uranium Resources Pty Ltd - deregistered 18 January 2015	Australia	**-**	100
Swan Resources SARL	Burkina Faso	**100**	100
Hawthorn Resources SARL	Burkina Faso	**100**	100
West African Resources Exploration SARL	Burkina Faso	**100**	100
West African Resources Development SARL	Burkina Faso	**100**	100
West African Resources Ltd SARL	Burkina Faso	**100**	100
Channel Resources Ltd	Canada	**100**	100
which owns			
Channel Resources (Cayman I) Ltd	Cayman Islands	**100**	100
which owns			
Channel Resources (Cayman II) Ltd	Cayman Islands	**100**	100
which owns			
Tanlouka SARL	Burkina Faso	**100**	100

The Company finances the operations of Wura Resources Pty Ltd SARL, Wura Uranium Resources Pty Ltd, Swan Resources SARL, Hawthorn Resources SARL, Channel Resources Ltd, Channel Resources (Cayman II) Ltd and Tanlouka SARL and thus these companies will have unsecured borrowings from the Company that are interest free and at call. The ability for these controlled entities to repay debts due to the company (and other parties) will be dependent on the commercialisation of the mining assets owned by the subsidiaries.

Amounts owed by / (to) Related Parties	Consolidated 2015 $	Consolidated 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Subsidiaries				
Wura Resources Pty Ltd SARL	**-**	-	**19,116,780**	17,876,740
Wura Uranium Resources Pty Ltd	**-**	-	**-**	21,829
SARL			**38,710**	-
Tanlouka SARL	**-**	-	**2,436,458**	287,398
Channel Resources (Cayman I) Ltd			**13,580**	-
Channel Resources (Cayman II) Ltd	**-**	-	**67,343**	53,763
Channel Resources Ltd	**-**	-	**(65,215)**	(347,778)
Total	**-**	-	**21,607,656**	17,891,952
Provision for impairment	**-**	-	**(21,574,831)**	(17,898,333)
	-	-	**32,825**	(6,381)
Amounts payable to Directors for Directors Fees (including GST)	**17,500**	27,125	**17,500**	27,125
Amounts payable to Directors for Consulting Fees (including GST)	**29,786**	29,787	**29,786**	29,787

Further information with respect to related party transactions are included in Note 19.

NOTE 17: SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not been any matter or circumstance not otherwise disclosed that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 18: AUDITORS' REMUNERATION

	Consolidated	
	2015 $	2014 $
The auditor of West African Resources Ltd is HLB Mann Judd.		
Audit or review of the financial statements	**26,285**	26,000
	26,285	26,000
Amounts received or due and receivable by non HLB Mann Judd audit firms		
Audit or review of the financial statements	**5,224**	6,252
	5,224	6,252

NOTE 19: DIRECTORS AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

Directors

Mark Connelly	Chairman (non-executive) Appointed 23 June 2015
Francis Harper	Chairman (non-executive) Resigned 23 June 2015
Richard Hyde	Managing Director
Simon Storm	Director (non-executive)
Jean-Marc Lulin	Director (non-executive) Resigned 28 August 2015
Colin Jones	Director (non-executive) Resigned 28 August 2015

(b) Compensation of Key Management Personnel

	Consolidated	
	2015 $	2014 $
Short-term employee benefits	**429,307**	427,621
Share-based payments	**15,956**	136,562
	445,263	564,183

(c) Compensation by category of Key Management Personnel for the year ended 30 June 2015

Consulting fees were paid to Directors, details of which are included in the Remuneration Report in the Directors' Report and are excluded from this table.

NOTE 19: DIRECTORS AND EXECUTIVE DISCLOSURES (Continued)

(d) Other transactions and balances with Key Management Personnel

	Consolidated	
	2015 $	2014 $
Directors		
The Director and Company Secretary, Mr Storm is a director and shareholder of Dorado Corporate Services Pty Ltd which has provided company secretarial and accounting services to the company on normal commercial terms. This excludes fees included as remuneration noted under section B of the Directors Report.	**47,450**	43,650
The Managing Director's spouse has provided office premises for $440 per week at 14 Southbourne Street, Scarborough, Western Australia	**23,723**	-
The Director, Mr Harper, is a director and shareholder of Blackwood Capital Ltd which has provided consultancy and capital raising services to the company on normal commercial terms.	**-**	361,256
	71,173	404,906

NOTE 20: FINANCIAL RISK MANAGEMENT

The Consolidated entity's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Consolidated entity's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Consolidated entity.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group held the following financial instruments:

	Consolidated	
	2015 $	2014 $
Financial assets		
Cash and cash equivalents	**3,511,892**	2,522,917
Trade and other receivables	**81,983**	83,741
Financial Assets	**34,161**	32,942
	3,628,036	2,639,600
Financial liabilities		
Trade and other payables	**(668,450)**	(604,697)
Borrowings	**(6,493,506)**	-
	(7,161,956)	(604,697)

NOTE 20: FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk

Cash flow and fair value interest rate risk

The Consolidated entity's main interest rate risk arises from cash deposits to be applied to exploration of areas of interest. Deposits at variable rates expose the Consolidated entity to cash flow interest rate risk. Deposits at fixed rates expose the Consolidated entity to fair value interest rate risk. During 2014 and 2014, the Consolidated entity's deposits at variable rates were denominated in Australian Dollars.

As at the reporting date, the Consolidated entity had the following variable rate deposits and there were no interest rate swap contracts outstanding:

	2015 Weighted average interest rate %	Balance $	2014 Weighted average interest rate %	Balance $
Deposits and Cash at Bank		**275,242**		2,414,175
Net exposure to cash flow interest rate risk	0.3%	**275,242**	1.6%	2,414,175

The Consolidated entity analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into the renewal of existing positions.

Sensitivity – Consolidated and Parent entity

During 2014 and 2014, if interest rates had been 10% higher or lower than the prevailing rates realised, with all other variables held constant, there would be an immaterial change in post-tax loss for the year. Equity would not have been impacted materially.

Foreign currency risk

As a result of operations in Burkina Faso and purchases denominated in CFA Francs, the Group's statement of financial position can be affected by movements in the CFA Franc/A$ exchange rates. The Group seeks to mitigate the effect of its foreign currency exposure by minimising its holding of CFA Francs and only transfers funds to Burkina Faso as required. During 2014, the parent company acquired Euros as a hedge against movements in the Australian Dollar.

The Group also has transactional currency exposures. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.

The Group does not have a policy to enter into forward contracts and does not negotiate hedge derivatives to exactly match the terms of the hedged item.

At 30 June 2015 and 30 June 2014, the Group had the following exposure to CFA Franc, Euro, United States Dollar and Canadian Dollar foreign currencies expressed in A$ equivalents that are not designated in cash flow hedges:

	Consolidated	
	2015 $	2014 $
Financial assets		
Cash and cash equivalents	**3,498,694**	545,364
Trade and other receivables	**23,530**	13,228
	3,522,224	558,592
Financial liabilities		
Trade and other payables	**330,745**	351,084
Borrowings	**6,493,506**	-
	6,824,251	351,084

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

At 30 June 2015 and 30 June 2014, had the Australian Dollar moved by up or down by 10% against the CFA, CAD or EURO, with all other variables held constant, post tax profit and equity would have not been materially affected.

At 30 June 2015 and 30 June 2014, the Group had the following exposure to United States Dollar foreign exchange risk:

	Consolidated		Consolidated	
	2015 $	2014 $	2015 USD	2014 USD
Financial assets				
Cash and cash equivalents	**3,244,758**	109,616	**2,498,464**	103,040
Trade and other receivables	**-**	-	**-**	-
	3,244,758	109,616	**2,498,464**	103,040
Financial liabilities				
Trade and other payables	**271,733**	5,217	**211,888**	4,904
Borrowings	**6,493,506**	-	**5,000,000**	-
	6,765,239	5,217	**5,211,888**	4,904

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the USD.

	Consolidated USD Impact	
	2015 $	2014 $
Profit or loss		
Appreciation of AUD:USD by 10% from 0.77 to 0.84	**316,911**	(9,491)
Depreciation of AUD:USD by 10% from 0.77 to 0.69	**(394,994)**	11,600
	(78,083)	2,109

(b) Credit risk

The Consolidated entity has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions.
Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Consolidated entity will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Financing arrangements

The Consolidated and parent entity have no borrowing facilities.

Maturity analysis of financial assets and liability based on management's expectation.

Year ended 30 June 2015	<6 months	6-12 months	1-5 years	>5 years	Total
Consolidated					
Financial assets					
Cash & cash equivalents	**3,511,892**	**-**	**-**	**-**	**3,511,892**
Trade & other receivables	**81,983**	**-**	**-**	**-**	**81,983**
Financial Assets	**34,161**	**-**	**-**	**-**	**34,161**
	3,628,036	**-**	**-**	**-**	**3,628,036**
Financial liabilities					
Trade & other payables	**(668,450)**	**-**	**-**	**-**	**(668,450)**
Borrowings	**-**	**-**	**(6,493,506)**	**-**	**(6,493,506)**
	(668,450)	**-**	**(6,493,506)**	**-**	**(7,161,956)**
Net maturity	**2,959,586**	**-**	**(6,493,506)**	**-**	**(3,533,920)**

Year ended 30 June 2014	<6 months	6-12 months	1-5 years	>5 years	Total
Consolidated					
Financial assets					
Cash & cash equivalents	2,522,917	-	-	-	2,522,917
Trade & other receivables	83,741	-	-	-	83,741
Financial Assets	32,942	-	-	-	32,942
	2,639,600	-	-	-	2,639,600
Financial liabilities					
Trade & other payables	(604,697)	-	-	-	(604,697)
Net maturity	2,034,903	-	-	-	2,034,903

NOTE 21: SHARE BASED PAYMENTS

Set out below is a summary of the options granted by the Group during the 2014 and 2014 financial years. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Grant Date	Expiry date	Exercise price	Granted during the year	Vesting Period
Unlisted Options - 30 June 2015				
22-Dec-14	30-Sep-17	$0.14	40,545,224	22-Dec-14
20-Feb-15	20-Feb-18	$0.15	2,875,000	Positive Feasibility Study
20-Feb-15	20-Feb-18	$0.15	2,875,000	First Production of gold

Grant Date	Fair value at grant date of options (cents)	Share price on grant date (cents)	Expected Volatility	Option life	Expected Dividends	Risk-free interest rate
Unlisted Options - 30 June 2015						
22-Dec-14	0.05	0.10	100%	2.8 years	0%	2.25%
20-Feb-15	0.05	0.09	100%	3 years	0%	2.25%

Grant Date	Expiry date	Exercise price	Granted during the year	Vesting Period
Unlisted Options - 30 June 2014				
27-Nov-13	27-Nov-16	$0.40	1,935,357	27-Nov-13
17-Jan-14	24-Nov-15 to 26-Jul-17	$0.62-$1.66	1,365,000	16-Jan-13
Warrants - 30 June 2014				
17-Jan-14	17-Jan-17	$0.40	14,918,508	17-Jan-14

Grant Date	Fair value at grant date of options (cents)	Share price on grant date (cents)	Expected Volatility	Option life	Expected Dividends	Risk-free interest rate
Unlisted Options - 30 June 2014						
27-Nov-13	0.04	0.13	100%	3 years	0%	3.25%
17-Jan-14	0.04	0.13	100%	3.5 years	0%	2.50%
Warrants - 30 June 2014						
17-Jan-14	0.05	0.13	100%	3 years	0%	2.50%

Expenses arising from share-based payment transactions:

	Consolidated 2015 $	Consolidated 2014 $
Share based payments to Directors	**15,956**	136,562
Share based payments to employees	**20,485**	92,458
Share based payments to third party	**2,182,638**	-
	2,219,079	229,020

NOTE 22: ACQUISITION OUTSIDE THE SCOPE OF AASB3 - BUSINESS COMBINATIONS

Acquisition of Channel Resources Limited

On 17 January 2014, the Company completed a transaction announced on 14 August 2014, pursuant to which it acquired, by way of a Plan of Arrangement, all of the issued and outstanding common shares and options of Channel Resources Limited ('Channel').

The terms of the Arrangement were as follows:-

1. The common shares of Channel exchanged for ordinary shares in the Company at a ratio of four Channel shares for one Company share - 29,837,123 shares were issued on 17 January 2014, resulting in Channel shareholders holding 12.1% of the total outstanding shares of West African;
2. Channel shareholders received one share purchase warrant for every two Company shares received in the Arrangement, each Warrant being exercisable to acquire one Company share at a price of A$0.40 expiring 17 January 2017 - 14,918,508 Warrants were issued on 17 January 2014;
3. Each outstanding Channel option to acquire a Channel share was exchanged for one quarter of a West African option - 1,365,000 unlisted options were issued on 17 January 2014 with exercise prices between 42 cents and $1.66 and expiry dates between 31 March 2014 and 26 July 2017; and

   Under contractual commitments with key management of Channel, the closing of the Arrangement triggered certain payments to each of the CEO and the SVP & CFO of Channel. Under the Arrangement agreement, Channel and West African agreed to settle the change of control payments payable by Channel to the CEO and the SVP & **CFO** by way of an aggregate CDN$550,000 payment (CDN$275,000 in cash and CDN$275,000 in West African shares). In settlement of the CDN$275,000 share component, 2,199,631 shares were issued on 17 January 2014.

Pursuant to the terms of the Arrangement, the Company sought listing on the TSX.V, with conditional approval being granted on 15 January 2014. This allowed for the closing of the transaction on 17 January 2014 and the listing of West African common shares and warrants under the symbols “WAF” and “WAF Wt” respectively occurred on 24 January 2014.

Consideration transferred

Acquisition date fair value of the consideration

	Consolidated	
	2015 $	2014 $
Consideration		
Equity consideration	-	7,041,948
Cash consideration	-	1,877,493
Directly attributable costs	-	355,569
Total consideration	-	9,275,010

NOTE 22: ACQUISITION OUTSIDE THE SCOPE OF AASB3 - BUSINESS COMBINATIONS (Continued)

Assets acquired and liabilities assumed at the date of acquisition

The Group has recognised the fair values of the identifiable assets and liabilities of Channel based upon the best information available as of the reporting date.

	Consolidated	
	2015 $	2014 $
Fair values of net assets acquired at the date of acquistion:		
Cash and cash equivalents	-	1,259,790
Trade and other receivables	-	59,581
Financial assets	-	18,419
Deferred sublease commission	-	5,839
Exploration Property Interests	-	8,024,507
Plant & equipment	-	24,826
Trade and other payables	-	(104,402)
Deferred leasehold incentives	-	(13,550)
Value of net assets acquired	-	9,275,010

Net cash outflow arising on acquisition

	Consolidated	
	2015 $	2014 $
Channel acquisition costs	-	(355,568)
Cash paid for acquisition of Channel	-	(1,877,493)
Cash taken up on acquistion of Channel	-	1,259,790
Net cash outflow	-	(973,271)

NOTE 23: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	Parent	
	2015 $	2014 $
CURRENT ASSETS		
Cash and cash equivalents	**3,228,424**	2,083,497
Trade and other receivables	**32,095**	56,898
Financial assets	**34,161**	32,942
Total Current Assets	**3,294,680**	2,173,337
NON-CURRENT ASSETS		
Financial assets	**45,614**	6,408
Plant & equipment	**755**	939
Total Non-Current Assets	**46,369**	7,347
TOTAL ASSETS	**3,341,049**	2,180,684
CURRENT LIABILITIES		
Trade and other payables	**561,369**	253,161
Total Current Liabilities	**561,369**	253,161
NON-CURRENT LIABILITIES		
Borrowings	**6,493,506**	**-**
Total non-current Liabilities	**6,493,506**	-
TOTAL LIABILITIES	**7,054,875**	253,161
NET ASSETS	**(3,713,826)**	1,927,523
EQUITY		
Issued capital	**32,173,325**	32,173,325
Reserves	**5,158,814**	2,939,735
Accumulated losses	**(41,045,965)**	(33,185,537)
TOTAL EQUITY	**(3,713,826)**	1,927,523
Loss before income tax expense	**(8,139,906)**	(14,107,901)
Income tax benefit	**279,478**	316,690
Total comprehensive loss	**(7,860,428)**	(13,791,211)

Guarantees, Commitments and Contingencies

There are no Guarantees, Commitments or Contingencies in the Parent Entity other than those mentioned in Note 15.

Directors' Declaration

1. In the opinion of the Directors:

a) the financial statements, notes and the additional disclosures included in the Directors' report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the 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).

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2015.

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

RHyde

Richard Hyde
Director

29 September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of West African Resources Limited for the year ended 30 June 2015, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2015

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

INDEPENDENT AUDITOR'S REPORT

To the members of West African Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of West African Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of West African Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(d) which indicates that in order for the Group to continue as a going concern, the Directors anticipate that a further equity raising will be required and will be completed in 2015. Should this equity raising not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the statement of financial position.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of West African Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Western Australia
29 September 2015

ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2015

(a) Distribution of shares

The numbers of shareholders, by size of holding are:

Category (size of holding)	Number of Holders
1 - 1,000	21
1,001 - 5,000	85
5,001 - 10,000	205
10,001 - 100,000	387
100,001 - and over	235
	933

The number of shareholdings held in less than marketable parcels is 130.

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

	SHAREHOLDERS	Number of shares held	% Holding
1	CDS & CO	28,536,149	10.56%
2	BOSTON FIRST CAPITAL PTY LTD	17,914,622	6.63%
3	MR FRANCIS ROBERT HAWDON HARPER	13,380,372	4.95%
4	ALOHA INVESTMENTS PTY LTD <ALOHA INVESTMENT A/C>	8,550,000	3.16%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	8,145,968	3.01%
6	MR RICHARD HYDE	7,500,000	2.77%
7	LUJETA PTY LTD <THE MARGARET ACCOUNT>	6,573,334	2.43%
8	HOPEVIEW INVESTMENTS PTY LTD	5,450,464	2.02%
9	BARRIJAG INVESTMENTS PTY LTD <HADLEY FAMILY A/C>	5,438,334	2.01%
10	WILLSTREET PTY LTD	5,240,373	1.94%
11	MR GRAEME JOHN HAINES <G & S HAINES S/F A/C>	4,963,000	1.84%
12	MR WILLIAM BOOTH	4,894,913	1.81%
13	CEDE & CO	4,565,982	1.69%
14	MR MICHAEL MORAWA	4,347,105	1.61%
15	MR JEFFREY MICHAEL WILSON	4,000,000	1.48%
16	LUJETA PTY LTD <THE MARGARET ACCOUNT>	3,846,154	1.42%
17	MR MOHAMMED MUNKAILAH	3,251,675	1.20%
18	MR BRUCE FOYE <BRUCE FOYE P/L SUPERFUND A/C>	2,885,155	1.07%
19	CITICORP NOMINEES PTY LIMITED	2,685,548	0.99%
20	MS PATRICIA MOORE COMAZZETTO <THE HANNLAW A/C>	2,560,000	0.95%
		144,729,148	53.54%

Stock Exchange Listing

Listing has been granted for the ordinary shares (ASX code: WAF) of the company on all Member Exchanges of the Australian Stock Exchange Limited "ASX") with 236,078,270 shares on the Australian Register; and
Listing has been granted for the ordinary shares (TSX-V code: WAF) and warrants (TSX- V code: WAF.WT) of the company on the Toronto Stock Venture Exchange (TSX) with 34,223,228 shares and 14,918,508 warrants on the Canadian Register

ADDITIONAL INFORMATION

(d) Substantial shareholders

The names of substantial shareholders are:

Substantial Shareholders	Number of shares
BOSTON FIRST CAPITAL PTY LTD	17,914,622
MR FRANCIS ROBERT HAWDON HARPER	18,830,836
MR RICHARD HYDE	16,050,000

(e) Voting rights

All shares carry one vote per unit without restriction.

Summary of Tenements in Burkina Faso								
Tenement Name	**Registered Holder**	**% Held**	**Tenement Number**	**Grant Date**	**Expiry Date**	**Tene ment Type**	**Tene ment Area km2**	**Geographical Location**
Damongto	West African Resources Ltd SARL	100%	No 2015 000-192/MME/SG/DGCM	3/07/15	01/03/18	EL	36	Namentenga Province
Gorin	Wura Resources Pty Ltd SARL	100%	No 2014 00 48/MME/SG/DGMG	7/03/14	10/07/16	EL	183	Ganzourgou Province
Goudré	West African Resources Ltd SARL	100%	No 2015 000-193/MME/SG/DGCM	3/07/15	23/03/18	EL	250	Zounweogo Province
Pissi (1)	West African Resources Development SARL	100%	No 2011 11-384/MCE/SG/DGMGC	1/12/11	30/11/14	EL	241.4	Gnagna, Kouritenga Provinces
Sartenga	West African Resources Development SARL	100%	No 2014 000275/MME/SG/DGMG	15/10/14	4/08/17	EL	130.7	Namentenga Province
Sondo Sud	West African Resources Development SARL	100%	No 2015 000-154/MME/SG/DGCM	5/06/15	01/12/18	EL	18.3	Gnagna, Kouritenga Provinces
Tanlouka (2)	Tanlouka SARL	90%	No 2013 000128/MME/SG/DGMG	24/06/13	27/01/16	EL	115.8	Ganzourgou Province
Toghin (3)	Wura Resources Pty Ltd SARL	100%	No 2011 11-162/MCE/SG/DGMGC	18/07/11	17/07/14	EL	222	Ganzourgou, Oubritenga Provinces
Vedaga (3)	West African Resources Exploration SARL	100%	No 2011 11-165/MCE/SG/DGMGC	18/07/11	17/07/14	EL	207.7	Gourma, Kouritenga Provinces
Zam (4)	Wura Resources Pty Ltd SARL	100%	No 2012 12-205/MCE/SG/DGMGC	27/09/12	30/12/14	EL	247.7	Zounweogo Province
Zam Sud	West African Resources Ltd SARL	100%	No 2015 194/MME/SG/DGCG	01/03/15	01/03/18	EL	23.46	Ganzourgou Province

(1) The company has applied for renouncement for this permit.

(2) WAF acquired a 90% interest in the Tanlouka property through the acquisition of Channel Resources Ltd in January 2014, and has signed an agreement to acquire the remaining 10% of the project from GMC SARL, a Burkina Faso registered entity.

(3) The company has lodged a renewal application for these permits.

(4) The company has lodged an extraordinary renewal application for this permit.