



## Press Release

30<sup>th</sup> October 2015

### SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

West African Resources Limited (ASX: WAF) is pleased to report activities on its 100%-owned and 100%-earning gold and copper-gold projects in Burkina Faso, West Africa, for the quarter ending 30 September 2015.

#### Highlights

##### Tanlouka Gold Project

- ✓ New results show potential to improve economics of heap leach starter project including
  - 32m at 5g/t gold including 13m at 7g/t gold at M3
  - 9m at 7.8g/t gold including 4m at 16.9g/t gold at M1
- ✓ Environmental and social studies completed
- ✓ Applications for Environmental and Mining permit submitted
- ✓ Indicative project finance proposals received and reviewed by the Company
- ✓ Drilling commenced at M3, follow-up drilling imminent for M1

##### September 2015 Quarter Summary

- ✓ 9,031m drilled
- ✓ \$0.97m Exploration and Development Expenditure
- ✓ \$0.27m Administration Costs
- ✓ \$2.22m cash at bank at 30 September 2015
- ✓ \$0.30m R&D grant expected in the December 2015 Quarter

##### December 2015 Quarter Plans

- ✓ RC and diamond drilling targeting shallow gold mineralisation at M1 and M3
- ✓ Update resource estimate with results from M1 and M3
- ✓ Continuation of detailed metallurgical test work program
- ✓ Detailed engineering and mine design for heap leach starter project
- ✓ Mandate lender for Project Finance

#### Overview

Managing Director Richard Hyde said: “While the September quarter is typically a slow quarter for field work due to the annual wet season, significant progress on the feasibility study has been made.

“We have been busy working on the heap leach starter feasibility study. Our focus has been directed towards completing the environmental, social and permitting aspects of the project, culminating in the submission of applications for environmental and mining permits for the heap leach starter project just after the end of the September quarter.

“While Burkina Faso recently experienced political unrest resulting in the postponement of the general election, it was business as usual for the Company. The general election is now due to take place on the 29<sup>th</sup> of November 2015. We anticipate we will receive permit approvals to continue advancing the Tanlouka project in early 2016.

“A number of indicative project finance offers were received during the quarter from resource banks and project lenders. We are working through these indicative offers at the moment and expect to mandate one or two preferred project lenders early in the New Year.

“We have also started drilling again at the M3 prospect. First-pass drilling earlier in the quarter returned exciting shallow oxide results including 32m at 5g/t Au. We are following-up these results with the aim of adding further shallow oxide ounces to the mine plan by the end of the year. We expect to commence drilling at the M1 prospect shortly. I look forward to keeping you updated during the December quarter.”

### **Tanlouka Gold Project - Exploration**

Auger drilling during the quarter discovered a new zone of mineralisation less than 2km southwest of the proposed Mankarga oxide starter pit. High-grade auger results up to 13g/t gold were returned, within an anomalous trend over 1.3km. The new zone, named M3, trends parallel to the M1 prospect. First-pass shallow oxide reverse circulation (RC) drilling then began, returning results of high-grade shallow oxide gold mineralisation in wide-spaced drilling. Discovery holes TAC0995 and TAC0996 were drilled directly beneath the earlier 13g/t Au auger result. TAC0995 returned 6m at 1.88g/t Au from 40m ending in mineralisation while TAC0996 returned 32m at 5.02g/t Au including 13m at 7.14g/t Au from 2m. Gold mineralization is associated with an array of quartz veinlets along a sheared contact between the metasediments and diorite and is open along strike and at depth.

Initial results from M3 included:

- 15m at 0.83g/t Au from 20m
- 6m at 1.88g/t Au from 40m\*
- 32m at 5.02g/t Au including 13m at 7.14g/t Au from 2m
- 9m at 1.11g/t Au from 19m
- 7m at 1.09g/t Au from 27m\*

Meanwhile, West African extended auger drilling on the M1 trend to the south to cover potential north-northwest structures intersecting the north-northeast M5 trend in the southern pit area, returning a result of 1.68g/t gold adjacent to the proposed pit. First-pass RC drilling at M1 then intercepted shallow oxide mineralisation, including results of:

- 9m at 7.8gt Au from 8m including 4m at 16.93g/t Au\*
- 10m at 1.04g/t Au including 1m at 5.04g/t Au from surface
- 5m at 1.01g/t Au from 26m
- 15m at 0.73g/t Au from surface
- 10m at 1.44g/t Au from 8m, including 2m at 4.92g/t Au\*
- 2m at 0.84g/t Au from 8m\*

\* denotes ended in gold mineralisation.

It is expected that oxide mineralisation from M3 and M1 will exhibit similar metallurgical characteristics to M5 oxides, and therefore also be amenable to heap leach processing. None of the gold mineralisation

in these new zones has to date been included in the project resource inventory, however it will be modelled and incorporated in a resource update expected to be complete before the end of 2015. Any additional higher grade oxide tonnes will have a positive impact on project economics.

Follow-up diamond drilling has commenced at M3. Initially diamond drilling will focus on providing structural data relating to the orientation of mineralisation, as well as important information on lithology and alteration. Follow-up RC drilling will also target mineralisation recently drilled at the M1 prospect. The Company intends to continue drilling throughout the current field season, targeting an increase to the projects mineral resources.

Figure 1: M3 NW0550 Cross-Section

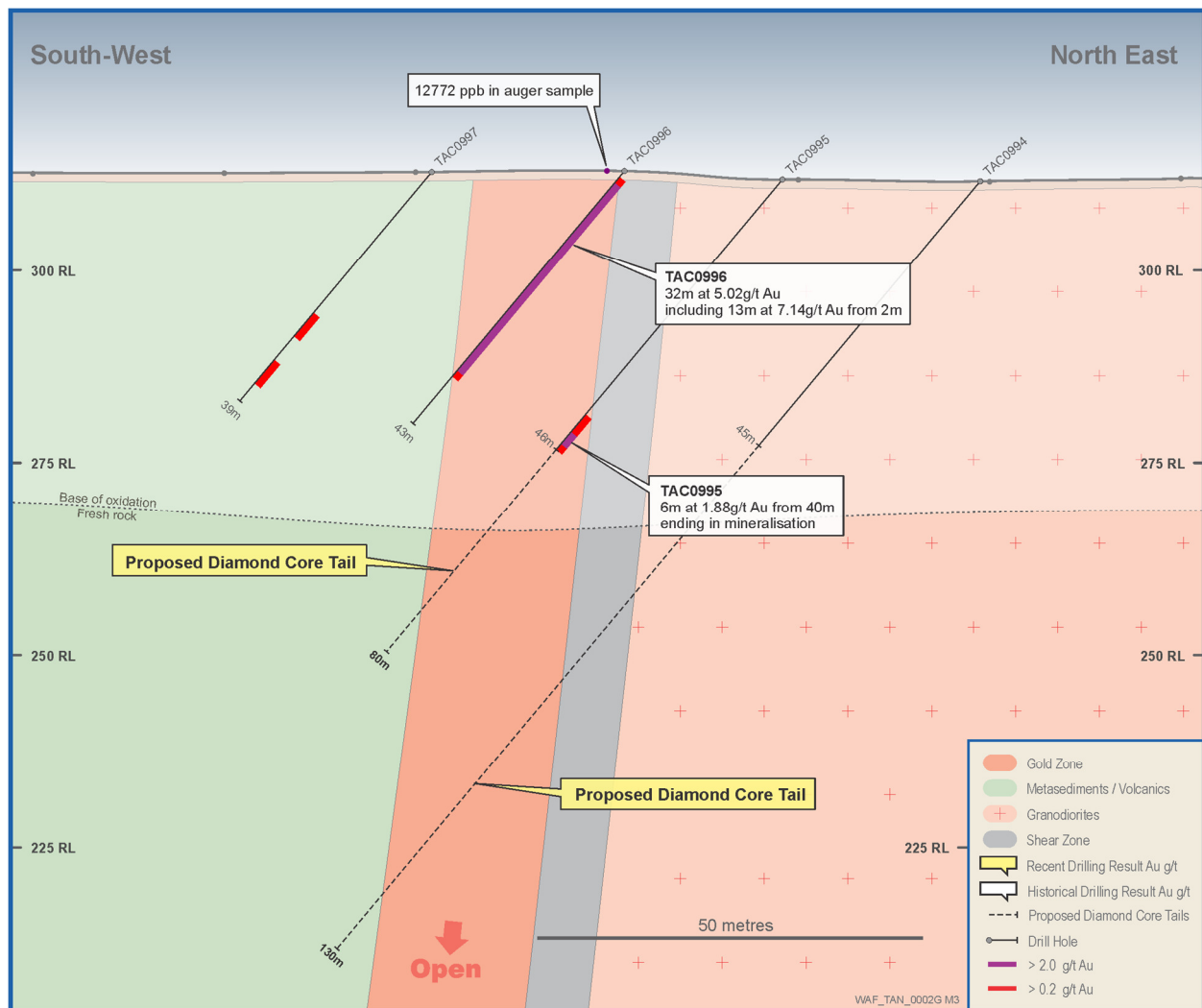
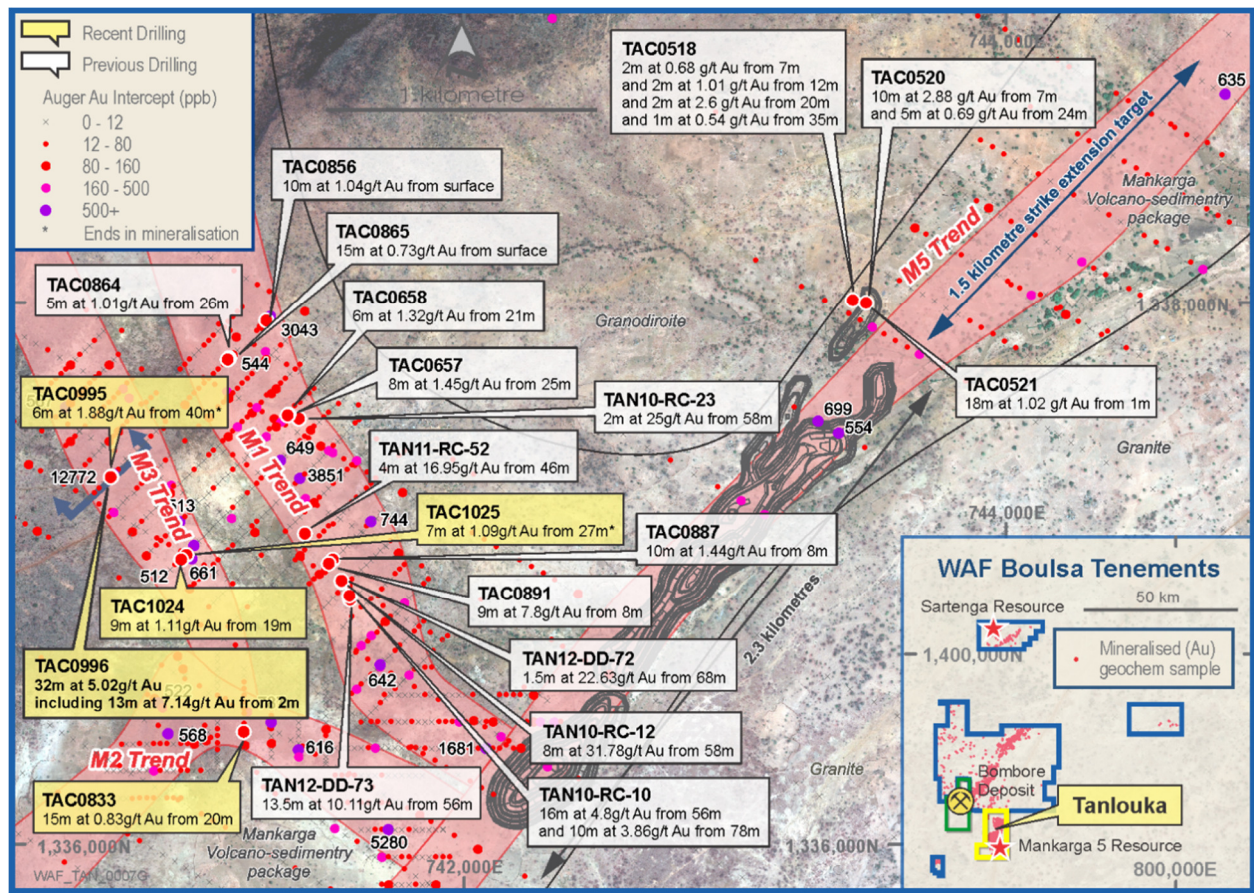


Figure 2: Mankarga Exploration Summary Plan



### Permitting

During the quarter, the Company finalised the Environmental and Social Impact Assessment for the Mankarga 5 heap leach gold project. The study was completed by local consultancy INGRID (L'Institut de Gestion des Risques Miniers et du Developpement) under the supervision of Knight Piesold Pty Ltd.

Following the end of the quarter, the Company submitted applications for environmental and mining permits to allow the development of the Mankarga 5 heap leach gold project.

Notwithstanding the recent political issues in Burkina Faso, the Company anticipates approvals for the environmental and mining licences in early 2016. General elections are planned to be held in Burkina Faso on 29 November, 2015.

### Feasibility Study Progress

A definitive Feasibility Study (FS) for a heap leach starter project at the Mankarga 5 commenced during the June quarter. The FS is being prepared in accordance with the requirements of both the Australian 2012 JORC Code and Canadian NI 43-101 guidelines. The study is now expected to be completed in the December quarter 2015.

### Project Financing

Discussions with project financiers have been ongoing during the quarter. Indicative project finance proposals have been received from a number of banks and project financiers, and are being reviewed by the Company. It is expected that the Company will mandate one or two preferred project lenders early in 2016.



## Corporate

During the quarter, Non-Executive Directors Jean-Marc Lulin and Colin Jones resigned from the Board. Their resignations came as West African looked to reduce its operational expenditure while it continues to develop the Mankarga 5 heap leach gold project.

West African Resources had \$2.2m cash at bank as at 30 September 2015 and expects to receive a further \$0.3m by way of R&D grant during the December quarter. The Company is fully funded by Macquarie Bank (ASX, TSXV: 22/12/14) to complete a Feasibility Study for a heap leach starter project by the end of 2015, which will incorporate any positive results from ongoing exploration programs.

## Project Timeline

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

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

## 2015 PFS Highlights

West African Resources Limited completed an updated Pre-Feasibility Study report for an oxide heap leach starter project on its Mankarga 5 Gold Project, Burkina Faso in May 2015 (ASX, TSXV: 15/5/15, 29/5/2015). It was prepared in accordance with the requirements of both the Australian 2012 JORC Code and Canadian NI 43-101. The report is filed on SEDAR and on the Company's website. A summary of the base case is stated below assuming a 100% project at a gold price of \$1,300/oz. All amounts are in US dollars.

- 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
- Pre-tax IRR of 63% with 14-month payback, post-tax IRR of 50% with 16-month payback
- Pre-tax cash flow of \$146m, post-tax cash flow of \$118m after initial and sustaining capital costs
- Pre-tax NPV5% of \$117m, Post-tax NPV5% of \$86m
- Probable Ore reserve of 440,000oz, life of mine strip ratio 2:1
- Potential to upgrade in-pit Inferred Resources currently treated as waste in mining schedule
- Nearby drill ready oxide targets with potential to add to the base case

Mankarga5 April 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

Mankarga5 May 2015 Ore Reserve															
Category	Strongly Oxidised			Moderately Oxidised			Transition			Fresh			Total		
	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
Probable	3.0	1.10	96	5.4	1.04	183	1.3	1.46	63	1.5	2.11	98	11.2	1.22	440

#### **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.

#### **Other Projects**

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

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

#### **For further information contact:**

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## Summary of Tenements in Burkina Faso at 30 September 2015

Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
<b>Damongto</b>	West African Resources Ltd SARL	100%	No 2015 000-192/MME/SG/DGCM	3/07/15	01/03/18	EL	36	Namentenga Province
<b>Gorin</b>	Wura Resources Pty Ltd SARL	100%	No 2014 00 48/MME/SG/DGMG	7/03/14	10/07/16	EL	183	Ganzourgou Province
<b>Goudré</b>	West African Resources Ltd SARL	100%	No 2015 000-193/MME/SG/DGCM	3/07/15	23/03/18	EL	250	Zounweogo Province
<b>Pissi (1)</b>	West African Resources Development SARL	100%	No 2011 11-384/MCE/SG/DGMGC	1/12/11	30/11/14	EL	241.4	Gnagna, Kouritenga Provinces
<b>Sartenga</b>	West African Resources Development SARL	100%	No 2015 000074/MME/SG/DGMG	15/10/14	4/08/17	EL	130.7	Namentenga Province
<b>Sondo Sud</b>	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
<b>Tanlouka (2)</b>	Tanlouka SARL	90%	No 2013 000128/MME/SG/DGMG	24/06/13	27/01/16	EL	115.8	Ganzourgou Province
<b>Toghin (3)</b>	Wura Resources Pty Ltd SARL	100%	No 2011 11-162/MCE/SG/DGMGC	18/07/11	17/07/14	EL	222	Ganzourgou, Oubritenga Provinces
<b>Vedaga (3)</b>	West African Resources Exploration SARL	100%	No 2011 11-165/MCE/SG/DGMGC	18/07/11	17/07/14	EL	207.7	Gourma, Kouritenga Provinces
<b>Zam (4)</b>	Wura Resources Pty Ltd SARL	100%	No 2012 12-205/MCE/SG/DGMGC	27/09/12	30/12/14	EL	247.7	Zounweogo Province
<b>Zam Sud</b>	West African Resources Ltd SARL	100%	No 2015 000194/MCE/SG/DGMGC	1/03/15	1/03/18	EL	23.46	Ganzourgou Province
<b>Sanbrado(5)</b>	SOMISA S.A.	90%	No 2015-118/REG/OCT/PEI/DGCM			MLA	26	Ganzourgou Province

(1) The company has applied for renoucement for these permits.

(2) WAF acquired a 90% interest in the Tanlouka property through the acquisition of Channel Resources Ltd on 21 January 2014, and has signed an agreement to acquire the remaining 10% of the project from GMC SARL, a Burkina Faso registered entity.

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

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

(5) The company has lodged mining licence application for this permit

### **Qualified/Competent Person's Statement**

The information that relates to Exploration Results, Mineral Resources and Production Targets was extracted from WAF's NI43-101 reports and ASX Announcements dated 23 February 2015, 16th & 30th April 2015, 15th May 2015, 16th & 18th June 14th July 2015, August 17th & 25th August 2015 & 8th September 2015 and are located on the Company's website [www.westafricanresources.com](http://www.westafricanresources.com).

Information in this announcement that relates to exploration results, exploration targets or mineral resources is based on information compiled by Mr Richard Hyde, a Director, who is a Member of The Australian Institute of 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 as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under National Instrument 43-101. Mr Hyde consents to the inclusion in this announcement of the statements based on his information in the form and context in which they appear.

Information in this announcement relating to the Pre-Feasibility Study has been prepared by and compiled under the supervision of Dr Leon Lorenzen, an Independent Consultant and Director of Mintrex Pty Ltd, who is a Fellow of the Australian Institute of Mining and Metallurgy (CP) and Fellow of the Institution of Engineers Australia. Dr Lorenzen has sufficient experience which is relevant to and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Dr Lorenzen has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to exploration results and mineral resources is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, an independent consultant specialising in mineral resource estimation, evaluation and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Wolfe has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

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.

### **Regulatory Disclaimer and Related Information**

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This announcement has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and Canadian National Instrument 43-101 (*Disclosure Standards for Mineral Projects*). The information relating to the historic Mankarga 5 Mineral Resource Estimate is extracted from Channel's NI43-101 report dated August 17, 2012 and is available to view on [www.westafricanresources.com](http://www.westafricanresources.com) and on profile of Channel Resources Ltd (now a subsidiary of the Company) on [www.sedar.com](http://www.sedar.com).

### **Forward Looking Information**

This news release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including information relating to West African's the potential economic feasibility of a principal mineral project, future financial or operating performance may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. In the case of West African, these facts include their ability to secure additional funding, anticipated



operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if a mineral property is developed.

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

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