



# **West African Resources Limited**

ABN 70 121 539 375

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)** for the three months ended 30 September 2015

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**for three months ending 30 September 2015 ('Q116')**

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**GENERAL**

Presented below is a discussion of the activities, results of operations and financial condition of West African Resources Ltd. ("West African" or the "Company") for the three month period ended 30 September 2015 ('Q116'), compared to the same periods in the preceding year. This management discussion and analysis ("MD&A") was prepared using information available as of 13 November 2015 and should be read in conjunction with the Company's unaudited interim financial statements for the three month period ended 30 September 2015 and notes thereto. These unaudited consolidated interim financial statements (the "Interim Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS") for interim reporting. As a result, this MD&A should also be read in conjunction with the audited financial statements for the year ended 30 June 2015 and notes thereto. The Interim Financial Statements include the accounts of the Company and its subsidiaries. All monetary amounts referred to herein are in Australian dollars unless otherwise stated.

Additional information relating to the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com), on the Company's website at [www.westafricanresources.com](http://www.westafricanresources.com).

**FORWARD LOOKING STATEMENTS**

This MD&A contains certain forward-looking information and forward-looking statements as defined in applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of management's discussion and analysis. Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, as described herein. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this management's discussion and analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions, interest rates and foreign exchange rates, the timing of the receipt of regulatory and governmental approvals for projects, ability to attract and retain skilled staff, the impact of changes in foreign exchange rates on costs, market competition, the accuracy of resource estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, tax benefits and tax rates, and ongoing relations with employees and with business partners. The reader is cautioned that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

**TSX-V disclaimer**

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

## **CORPORATE OVERVIEW**

West African is a mineral exploration company focused on building shareholder value through the identification, acquisition, assessment and development of mineral resource projects. The Company's portfolio includes mineral rights in a gold project in Burkina Faso.

The Company trades on the Australian Securities Exchange ('ASX') and the TSX Venture Exchange ('TSX') (with effect from January 2014) under the symbol "WAF" and warrants trading on the TSX under the symbol "WAF.WT". The Company is a reporting issuer in Canada in the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

## **OPERATIONS HIGHLIGHTS**

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

### **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
- ✓ \$0.28m 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**

The September quarter is typically a slow quarter for field work due to the annual wet season, however significant progress on the feasibility study has been made. The focus has been directed towards completing the environmental, social and permitting aspects of the project, culminating in the submission of

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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 29th 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.

West African Resources has 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 and expect to commence drilling at the M1 prospect shortly.

### **September 2015 Quarter Plans**

A project timeline for the heap leach starter project is present below.

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

## **MINERAL PROJECTS**

### *Burkina Faso, West Africa*

The majority of West African's exploration activities since listing the Company on ASX in 2010 have been focused on Burkina Faso, located in the Sahel region of West Africa. The Sahel is a transition zone between the Sahara Desert to the north and the savannas to the south, and stretching the full width of the continent, having a semi-arid climate.

The area now known as Burkina Faso was ruled by the Mossi kingdoms from medieval times until France claimed the region in 1896 when it became known as Upper Volta. In 1960 the Republic of Upper Volta was granted autonomy by France and in 1987 the name of the country was changed to Burkina Faso.

Most of central Burkina Faso lies on a savanna plateau, 200 to 300 meters above sea level.

Some key characteristics of Burkina include:

- Average annual rainfall: ~100 cm in the south; ~25 cm in the north and northeast.

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- Population: 17.8 million (2013 est.) with a growth rate of approximately 3%.
- Language: French and Mòoré
- Average population density: approximately 51.4 people per square kilometer with concentrations in urban areas approximately 80 people per square kilometer.
- Ethnicity: The country is generally regarded as an ethnically integrated, secular state, its population belonging to two major West African cultural groups - the Voltaic and the Mande. The 60% of Burkinabe are Muslim with 25% Christian but most also adhere to traditional African religions.
- Education: Compulsory until the age of 16; however, only about 80.3% of Burkina's primary school age children are enrolled in primary school. Of those enrolled, about 41.7% complete primary school.
- Government: Parliamentary Republic. Gained independence from France in 1960. Follows the French model of civil law based on a constitution adopted in 1991.
- Economy: GDP per capita (PPP) of \$1,400 (2012 est.); Real GDP growth of 8% (2012 est.) (4.2% in 2011); Inflation rate of 3.8% (2012 est.) (2.8% in 2011). Mining and the agricultural sectors (primarily cattle and cotton) are the main sources of growth. Approximately 80% of the population relies on subsistence agriculture, with only a small fraction directly involved in industry and services.

Burkina Faso is working to expand its economy by developing its mineral resources, particularly gold, improving its infrastructure, making its agricultural and livestock sectors more productive and competitive, and stabilizing supplies and prices of food grains. Gold has reportedly become the country's top export commodity.

In 2011, gold earned Burkina Faso 127 billion CFA (~\$267 million), in comparison with 440 billion CFA (~\$926 million) for the four-year period between 2007 and 2011, accounting for 64.7 percent of all exports and 8 percent of GDP. Production rose from 23 tonnes in 2010 to 32 tonnes in 2011.

### **Gold Exploration in Burkina Faso**

Burkina Faso is located between Ghana and Mali and is home to approximately 30% of the Birimian greenstone belts of West Africa. The Birimian greenstone belts of West Africa have long been a focus for gold explorers and they host several world-class deposits. Exploration and development activity in Burkina Faso has accelerated significantly in the last 10 years, with several projects now having entered the production phase, including IAMGOLD's Essakane mine, High River Gold's Taparko-Boroum mine, and Semafo's Mana mine.

### **West African's Projects**

#### **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

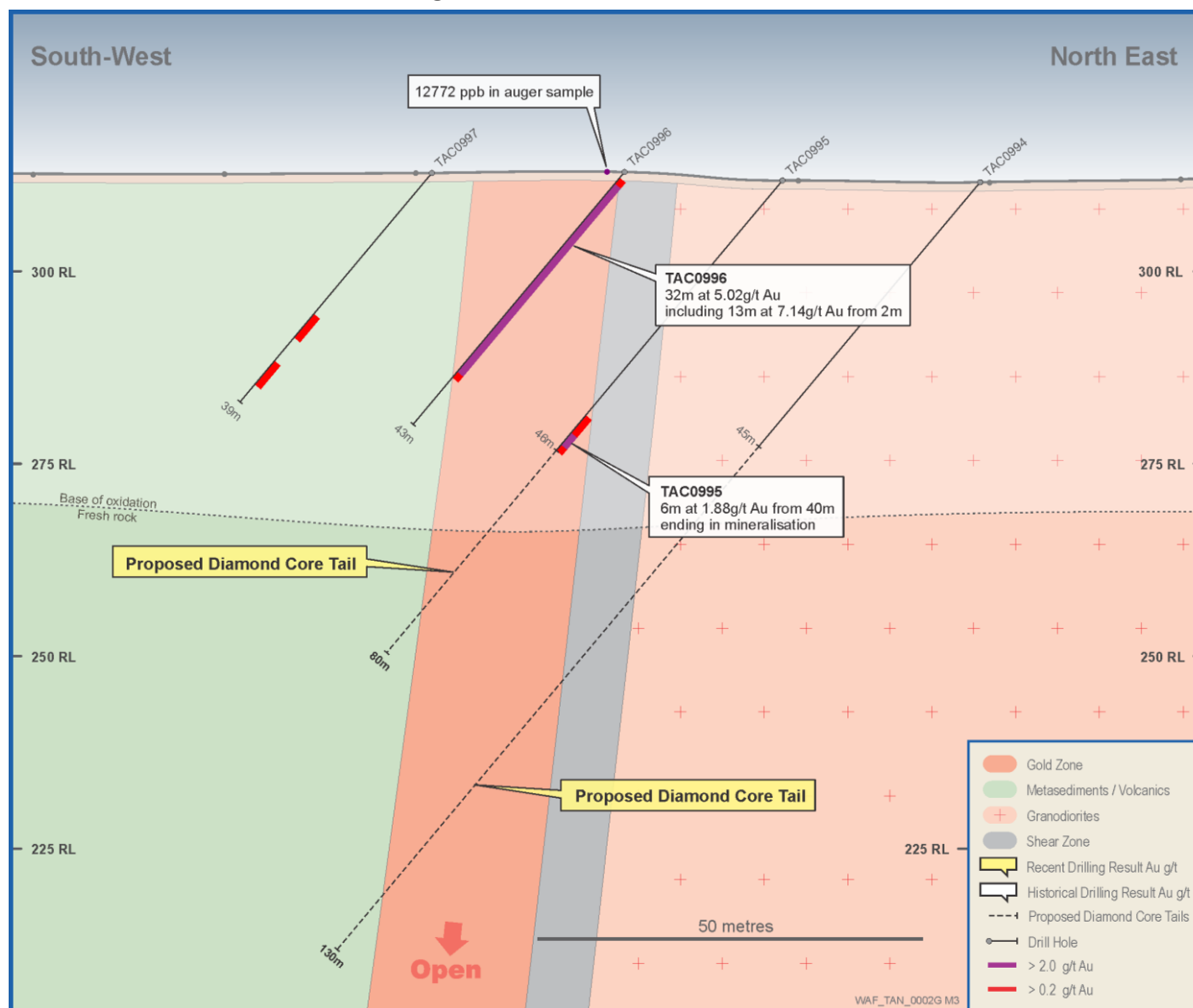
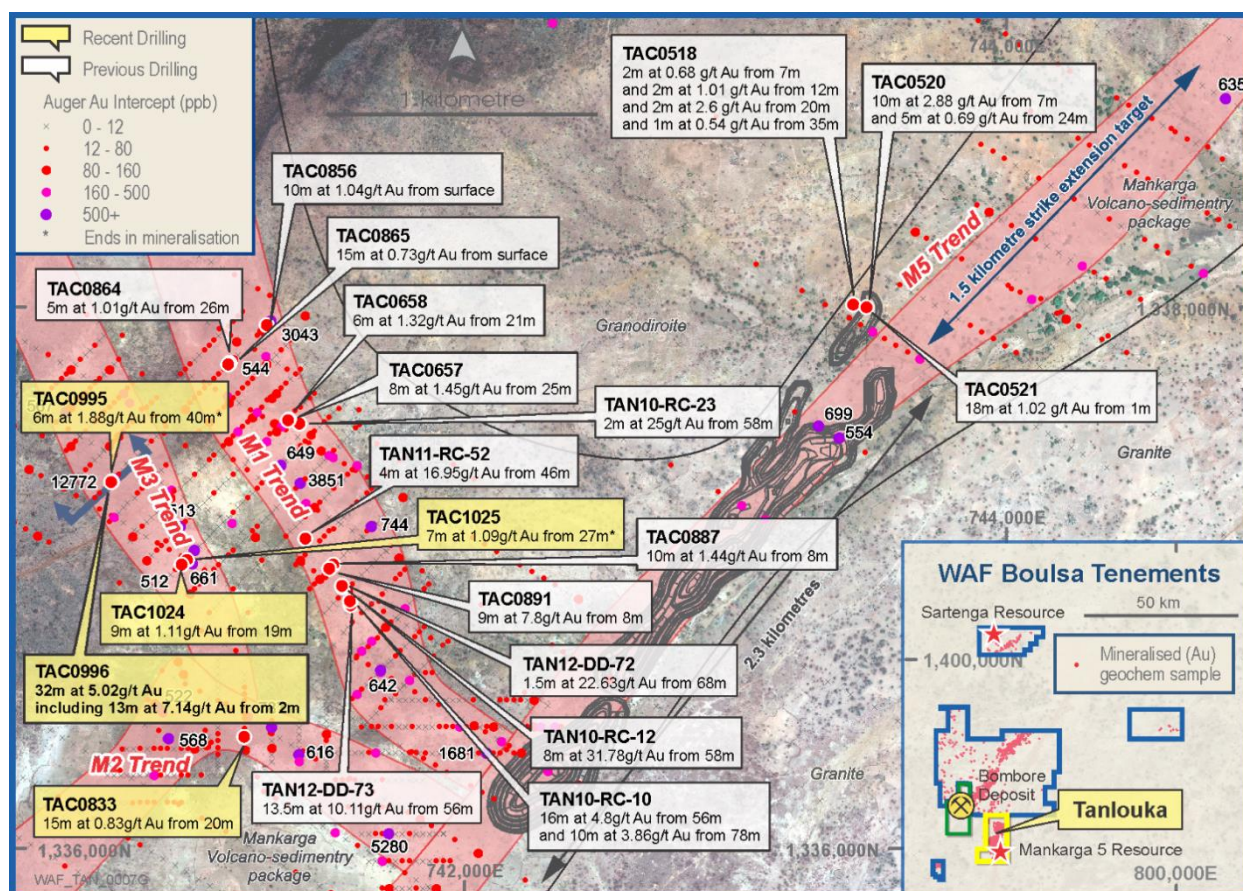




Figure 2: Mankarga Exploration Summary Plan



## 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 Developpment) 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.



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**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.

**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

**Table 3: 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
<b>Oxide</b>	0.5	7,200,000	1.2	273,000	800,000	0.8	20,000
	1	3,100,000	1.8	180,000	200,000	1.2	7,000
<b>Transitional</b>	0.5	2,300,000	1.2	89,000	500,000	0.9	13,000
	1	1,000,000	1.9	60,000	200,000	1.3	6,000
<b>Fresh</b>	0.5	9,500,000	1.2	377,000	39,100,000	1.0	1,320,000
	1	4,200,000	1.9	256,000	14,800,000	1.6	778,000
<b>Total</b>	0.5	19,000,000	1.2	736,000	40,400,000	1.0	1,350,000
	1	8,400,000	1.8	495,000	15,200,000	1.6	791,000

**Table 4: 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
<b>Probable</b>	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 About Mineral Resources:**

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

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.

**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 \$0.28m 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.

**Qualified/Competent Person's Statement**

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

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

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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.

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**RESULTS OF OPERATIONS**

	Three Months Ended 30-Sep-15 ("Q116") \$	Three Months Ended 30-Jun-15 ("Q415") \$	Three Months Ended 31-Mar-15 ("Q315") \$	Three Months Ended 31-Dec-14 ("Q215") \$	Three Months Ended 30-Sep-14 ("Q115") \$	Three Months Ended 30-Jun-14 ("Q414") \$	Three Months Ended 31-Mar-14 ("Q314") \$	Three Months Ended 31-Dec-13 ("Q214") \$
Revenue	733	2,150	992	4,710	2,913	19,447	20,412	10,603
Total assets	2,493,006	3,810,071	5,589,710	6,928,586	1,676,509	3,090,192	1,766,523	3,366,482
Plant and equipment	142,005	182,035	235,044	316,256	378,376	450,592	382,152	420,171
Working capital (deficit) / surplus	(5,501,829)	2,959,586	4,884,936	6,042,116	892,397	2,034,903	931,718	1,220,478
Shareholders' (deficit) / equity	(5,359,824)	(3,351,885)	(1,458,967)	185,532	1,270,773	2,485,495	1,313,870	3,018,552
Net loss attributable to shareholders	(2,024,171)	(1,904,387)	(1,657,147)	(3,274,041)	(1,220,884)	(1,658,054)	(8,761,369)	(1,575,582)
Loss per share, basic and diluted	(0.005)	(0.006)	(0.006)	(0.012)	(0.004)	(0.008)	(0.036)	(0.007)

**Summary of Quarterly Results**

The total assets have decreased due to the cash outflow for exploration related expenditure, which included environmental work being completed on the feasibility study for the Tanlouka project. The working capital deficit is \$5,501,829, which has decreased from a working capital surplus at 30 June 2015 of \$2,959,586, has arisen due to the USD 5 million loan being reclassified from a non-current liability to a current liability as at 30 September 2015. A key term of the loan agreement is the bullet repayment on the earlier of 30 September 2016 and the date on which WAF receives proceeds from a project financing or capital raising. The Company is progressing discussions with the lender to extend the maturity date of this facility and obtain additional funding for the early acquisition of assets, prior to obtaining project funding followed by full scale development of the project.

Plant and equipment has decreased due to the depreciation expense for the quarter.

The shareholders' deficit of \$5,359,824 reflects the business cycle the Company is currently in, having taken on a loan for USD5 million in December 2014 to fund the feasibility study, and the accounting policy of expensing exploration expenditure as incurred. The latter includes the exploration property interests acquired on the acquisition of Channel Resources Ltd, which were determined to be an asset acquisition, rather than a business combination, as the substance and intent of the transaction was for the Group to acquire the exploration and evaluation assets of Channel for the purpose of expanding the Group's overall resource base. The vehicle containing the assets was of no consequence to the underlying substance and intent of the transaction and therefore consistent with the Company's accounting policy, \$8.0m comprising exploration property interests was expensed in Q314.

Following completion of the feasibility study, and provided a decision is made to proceed with development of the Tanlouka Project, and appropriate funding is obtained, all future development costs will be recorded as an asset.

The loss attributable to shareholders was slightly higher for Q116 compared to the previous quarter due to the following factors:-

- The administration expenses were \$472,773 compared with \$448,206 in Q415, mainly due to higher personnel and regulatory expenses which was offset by lower consulting fee expenses.

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- The foreign currency translation difference for foreign operations was a loss of \$581,732 compared with a loss of \$332,171 in Q415. This was due to the weaker Australian dollar; and
- Exploration expenditure of \$761,611 was lower than exploration expenditure of \$925,746 for Q415, due to less diamond drilling mainly on the Mankarga 5 prospect. This was partially offset by increased aircore drilling and assaying on the prospect.

**Summary of Financial Results**

	3 months ended	
	30/09/2015	30/09/2014
	\$	\$
Administration Expenses	(472,773)	(324,009)
Exploration Expenses	(761,611)	(854,427)
Feasibility and scoping studies	(423,819)	(44,499)
Foreign exchange gain/(loss)	215,031	26,554
Other income	733	2,913
Loss before income taxes	(1,442,439)	(1,193,468)
Income tax benefit	-	-
Net loss after tax	(1,442,439)	(1,193,468)
Non-controlling interest	-	-
Foreign currency translation differences for foreign operations	(581,732)	(27,416)
Net loss attributable to the Company's shareholders	(2,024,171)	(1,220,884)
Net loss per common share, basic and diluted	(0.005)	(0.004)

The Company's accounting policy for exploration expenditure is to expense it as incurred. The reported net loss in the Company's consolidated financial statements reflects the administrative expenses required to support the exploration activities in Burkina Faso as well as other items offset by other income.

The reported net loss for Q116 primarily reflects exploration expenditure incurred on the Tanlouka Gold Project in Burkina Faso, which includes work on the feasibility study, together with administrative expenses required to support those exploration activities. An updated 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 to \$423,819 (Q115: \$44,499). The exploration expenses for Q116 related mainly to the Tanlouka and Gorin projects in Burkina Faso.

Net foreign exchange gains were up in Q116 due to the stronger USD conversion rates on utilisation of the USD5 million loan.

The non-cash foreign currency translation differences for foreign operations of \$581,732 has increased in Q116 due to the weaker Australian dollar over the period and the restating of foreign denominated liabilities at these weakened rates.

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**Administration Expenses**

	3 months ended	
	30/09/2015	30/09/2014
	\$	\$
Regulatory and compliance expense	(46,951)	(39,185)
Office expense	(22,093)	(30,462)
Depreciation expense	(61,313)	(73,872)
Personnel expense	(93,256)	(45,812)
Travel and accommodation expense	(17,520)	(7,046)
Property expense	(17,767)	(24,681)
Consulting fee expense	(41,530)	(61,982)
Audit fees	-	(8,557)
Director's fees	(18,111)	(26,250)
Share based payments	(16,232)	(6,162)
Interest expense	(138,000)	-
	<b>(472,773)</b>	<b>(324,009)</b>

Expenditures, increased to \$472,773 in Q116 as compared to \$324,009 in Q115. The significant variations in expenditures and other income in the current reporting periods, as compared to those in the preceding period, are described below:

- Increase in the personnel expense in Tanlouka, and
- Increase in the interest expense due to the interest accrual on the USD 5 million convertible loan facility, which was drawn down on 23 December 2014.

**SUMMARY OF QUARTERLY RESULTS AND FINANCIAL POSITION**

	3 months ended	
	30/09/2015	30/09/2014
	("Q116")	("Q115")
	\$	\$
Revenue	733	2,913
Total assets	2,493,006	1,676,509
Plant and equipment	142,005	378,376
Working capital (deficit) / surplus	(5,501,829)	892,397
Shareholders' (deficit) / equity	(5,359,824)	1,270,773
Net loss attributable to shareholders	2,024,171	1,220,884
Loss per share, basic and diluted	(0.005)	(0.004)

**LIQUIDITY AND CAPITAL RESOURCES**

**Revenue and Reliance on Equity Financing**

With the exception of interest earned on money market deposits, the Company does not have any revenue or cash inflows from its operations. Its operational activities during the current reporting periods were financed by the Company's working capital carried forward from the preceding period.



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At present, the Company's financial success is dependent on management's ability to discover economically viable mineral deposits and to raise required funding through equity or debt issuances, asset sales or a combination thereof.

In December 2014, the Company drew down a two-year US\$5 million convertible loan facility loan with the Metals & Energy Capital Division of Macquarie Bank Limited to fully fund the completion of the Company's Feasibility Study for the Tanlouka Heap Leach Gold Project in Burkina Faso.

The mineral exploration process can take many years to advance to development and production, and is subject to various factors that are beyond the Company's control.

As of September 30, 2015, the Company had working capital deficit of \$5,359,824 (September 30 2014 surplus \$1,270,773) due to the reclassification of the Macquarie loan from a non-current to current liability.

***Sources and Uses of Cash***

As of September 30, 2015, the Company had cash and cash equivalents of \$2,221,018 (September 30, 2014 - \$1,211,055).

Cash and cash equivalents include bank and money market deposits, which are highly liquid short-term interest bearing investments.

The decrease in cash and cash equivalents by 37% from \$3,511,892 to \$2,221,018 during the three months ended September 30, 2015 and the comparison to cash movements in the previous corresponding period, arose due to the following:-

***Operating cash flows***

Cash outflows from operating activities were \$1,505,049 (Q115: \$1,311,186) and this increase arose mainly because of the interest paid on the Macquarie loan of \$265,364.

***Investing cash flows***

Cash outflows from investing activities were \$2,212 (Q115:\$8,094) and this was for the payment of an office deposit in the prior period.

***Financing cash flows***

Cash flows from financing activities were \$Nil (Q115: \$Nil).

***Capital Risk Management***

The Company has a 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. 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 approximate their carrying values, unless otherwise noted.

***Outstanding Share Capital***

As of the date of this MD&A, the Company has 270,301,498 ordinary shares on issue and 66,898,381 incentive stock options and warrants at a weighted average exercise price of \$0.23 per share.

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**OFF BALANCE SHEET ARRANGEMENTS**

There are no off balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

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	
		30/09/2015 Unaudited %	30/06/2015 Audited %
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	-	-
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
<i>which owns</i>			
Channel Resources (Cayman I) Ltd	Cayman	100	100
<i>which owns</i>			
Channel Resources (Cayman II) Ltd	Cayman	100	100
<i>which owns</i>			
Tanlouka SARL	Burkina Faso	100	100

The Company finances the operations of all of its subsidiaries 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.

**(a) Details of Key Management Personnel**

**Directors**

Mark Connelly	Chairman (non-executive) Appointed 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	
	3 months ended 30-Sep-15 \$	3 months ended 30-Sep-14 \$
Short-term employee benefits	99,346	107,525
Share-based payments	11,292	-
	<b>110,638</b>	<b>107,525</b>

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**(c) Remuneration of Key Management Personnel**

	Consolidated	
	3 months ended 30-Sep-15 \$	3 months ended 30-Sep-14 \$
<b>Directors</b>		
The Non-Executive Chairman, Mr Connelly, is paid directors fees of \$12,500 / quarter	<b>12,500</b>	-
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. \$3,745 / month of this amount relates to Company Secretarial remuneration for Mr Storm's services.	<b>11,235</b>	11,275
The Managing Director, Mr Hyde, is a director and shareholder of Azurite Consulting Pty Ltd which has provided:- - Consultancy services to the company on normal commercial terms amounting to \$70,000 / quarter.	<b>70,000</b>	70,000
The Director, Mr Harper (resigned 23 June 2015), is a director and shareholder of Blackwood Capital Ltd which has provided consultancy and capital raising services to the company on normal commercial terms. \$8,750 / quarter of this amount relates to directors' remuneration.	-	8,750
The Director, Mr Lulin (resigned 28 August 2015) , is paid directors fees of \$8,750 / quarter.	<b>5,611</b>	8,750
The Director, Mr Jones (resigned 28 August 2015) , is paid directors fees of \$8,750 / quarter.	-	8,750
	<b>99,346</b>	107,525

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**(d) Other transactions and balances with Key Management Personnel**

	Consolidated	
	3 months ended 30-Sep-15 \$	3 months ended 30-Sep-14 \$
<b>Directors</b>		
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 (c).	15,200	13,150
The Managing Director's spouse has provided office premises for \$440 per week at 14 Southbourne Street, Scarborough, Western Australia.	1,760	-
	<b>16,960</b>	<b>13,150</b>

As of the date of this MD&A, the Company has Service agreements with key management as described herein:-

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 until 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.

Non-executive directors were paid fees of \$35,000 per annum.

**SUBSEQUENT TO QUARTER END TRANSACTIONS**

There has not arisen in the interval between the end of Q116 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

**CRITICAL ACCOUNTING ESTIMATES**

The Company's consolidated annual financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"). IFRS requires Management to make certain judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Estimates and assumptions are continuously evaluated and are based on

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management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

Significant judgments and assumptions include those related to the determination of functional currency and determination of asset retirement obligations and environmental liabilities. Significant estimates include the assumptions used in valuation of share-based payments.

*Functional currency*

The analysis of the functional currency for each entity of the Company is in accordance with *IAS 21, the Effects of Changes in Foreign Exchange Rate*, and management determined that the functional currency of Wura Resources SARL and Tanlouka SARL is the West African CFA franc and for all other entities within the Company, the functional currency is Australian dollars, as these are the currencies of the primary economic environment in which the companies operate.

*Asset retirement obligations and environmental liabilities*

The Company assesses its asset retirement obligations and environmental liabilities at each reporting date, assessing if a provision is required based on current activity. The provision (if any) at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

*Share-based payments*

The Company measures the cost of equity-settled transactions with employees or service providers by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant or transaction. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield (where relevant) and making assumptions about them.

**FINANCIAL INSTRUMENTS**

The Company's financial instruments at September 30, 2015 and June 30, 2015 include the following:

<b>Financial Instruments</b>	<b>30-Sep-15 \$</b>	<b>30-Jun-15 \$</b>
Cash and cash equivalents	<b>2,221,018</b>	<b>3,511,892</b>
Accounts receivable	<b>95,822</b>	<b>81,983</b>
Financial assets	<b>34,161</b>	<b>34,161</b>
Accounts payable	<b>709,973</b>	<b>668,450</b>
Borrowings	<b>7,142,857</b>	<b>6,493,506</b>

Cash and cash equivalents include bank deposits and highly liquid short-term investments with original maturities of three months or less. Accounts receivable, and accounts payable and accrued liabilities are incurred in the normal course of business. All receivables are considered current and there were no receivables which are past due or impaired. Trade payables are non-interest bearing and are normally settled on 30-day terms.

The borrowings are a 7.8% (7.5% + LIBOR) secured loan of US\$5,000,000 with the Metals & Energy Capital Division of Macquarie Bank Limited. The borrowings have been restated at the ruling AUD:USD exchange rate of 0.70 at 30 September 2015 (Exchange rate of 0.77 at 30 June 2015). 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 Loan Agreement contains other customary features, including customary representations and warranties, undertakings and events of default for facilities of this nature.

#### **CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS**

In the current reporting period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the three months ended 30 September 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 its business and, therefore, no change is necessary to Group accounting policies.

#### **CONTROLS AND PROCEDURES**

The Company maintains information systems, procedures and controls to provide reasonable assurance that information used internally and disclosed externally is complete and reliable. The Company continues to review and develop internal controls, including disclosure controls and procedures for financial reporting that are appropriate for the nature and size of the Company's business. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate controls for the nature and size of the Company's business.

Any internal controls, no matter how well conceived and operated, cannot provide absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion between two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.



## **RISKS AND UNCERTAINTIES**

The following description of risks and uncertainties is not all-inclusive as it pertains only to conditions currently known to management. There can be no guarantee or assurance that other factors will adversely affect the Company.

### ***Risks Inherent in the Mining and Metals Business***

The business of exploring for minerals is inherently risky. None of the properties in which WAF has an interest has a known body of commercial ore. Development of WAF's mineral properties will only follow upon obtaining satisfactory exploration results, completion of a positive feasibility study and securing appropriate funding. Few properties that are explored are ultimately developed into producing mines. Mineral properties are often non-productive for reasons that cannot be anticipated in advance. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most exploration projects do not result in the discovery of commercially mineable deposits of ore. Title claims can impact the exploration, development, operation and sale of any natural resource project. Any such eventuality could have a material adverse effect on WAF. There can be no assurance that WAF's mineral exploration and development activities will result in any discoveries of commercially viable bodies of ore.

### ***Commodity Prices***

The price of the WAF Shares and WAF's financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in metal prices. Metal prices fluctuate widely and are affected by numerous factors beyond WAF's control. WAF's value and future revenue, if any, are in large part derived from such commodity prices or the mining and sale of metal ores or interests related therein. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of WAF's exploration projects, cannot be accurately predicted.

### ***Financing Risks***

WAF has no history of earnings and no source of operating cash flow and, due to the nature of its business; there can be no assurance that WAF will be profitable. WAF has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to WAF is through the sale of its equity shares. Even if the results of exploration are encouraging, WAF may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While WAF may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers.

### ***Foreign Operation Risk***

WAF has mineral interests in Burkina Faso, West Africa. Any changes in regulation or shift in the political attitudes in Burkina Faso, which are beyond WAF's control, may adversely affect its business and perception of same within the market environment and could have an adverse impact on WAF's valuation or the price of WAF Shares.

### ***Currency Exchange Rate Fluctuations***

Currency exchange rates may impact the cost of exploring WAF's projects. WAF financings are usually in Australian dollars, but more recently the Macquarie loan facility is denominated in US dollars, and its

exploration costs have been incurred primarily in Australian dollars, Euros, British Pounds, United States dollars and CFA Francs. Fluctuations in the exchange rates between these currencies may impact WAF's exploration activities and financial results, and there is no assurance that such fluctuations, if any, will not adversely affect WAF's operations.

***Environmental Protection and Permitting***

All phases of WAF's operations are subject to environmental protection regulation in the various jurisdictions in which it operates. Environmental protection legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental protection regulations, if any, will not adversely affect WAF's operations.

***Uninsurable Risks***

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and WAF may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of WAF.

***Acquisition***

WAF uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, WAF may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance such acquisitions and development, or integrate such opportunity and their personnel with WAF. WAF cannot guarantee that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition will ultimately benefit WAF.

***Permits and Licenses***

The operations of WAF may require licenses and permits from various governmental authorities. There can be no assurance that WAF will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

***Reliance on Key Personnel***

The nature of the business of WAF, the ability of WAF to continue its exploration and development activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of WAF to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that WAF will be able to attract and retain such personnel. The development of WAF now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on WAF. WAF does not currently maintain key-man life insurance on any of the key management employees.

***Competition***

The mining industry is intensely competitive in all of its phases, and WAF competes with many companies possessing greater financial resources and technical facilities. Competition in the mining business could adversely affect WAF's ability to acquire suitable properties or prospects for mineral exploration or development or to attract and retain suitably qualified and experienced people to develop corporate growth strategies and to efficiently execute corporate plans.

***Dilution***

WAF has outstanding WAF Options as detailed in the most recent financial statements for the half year ended December 31, 2014. Should these securities be exercised, the holders have the right to purchase additional WAF Shares, in accordance with these securities' terms. During the life of these securities, the holders have the opportunity to profit from a rise in the market price of the WAF Shares, possibly resulting in the dilution of existing securities.

***Land Title***

Any of WAF's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. WAF has no knowledge of any material defect in the title of any of the properties in which WAF has or may acquire an interest.

## APPENDIX 1 - JORC 2012 Table "1"

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The area of the Mankarga 5 resource was drilled using Reverse Circulation (RC), Aircore (AC) and Diamond drill holes (DD) on a nominal 50m x 25m grid spacing. A total of 502 AC holes (17,705.5m), 18 DD holes (3,162.5m) and 6 RC drill holes with diamond tails (1,156.6m) were drilled by West African Resources (WAF) in 2013-2014. A total of 60 RC holes (7,296.2m) and 71 DD holes (15,439.6m) were drilled by Channel Resources (CHU) in 2010-2012. Holes were angled towards 120° or 300° magnetic at declinations of between -50° and -60°, to optimally intersect the mineralised zones.</li> <li>All RC samples were weighed to determine recoveries. WAF and CHU RC samples were split and sampled at 1m and 2m intervals respectively using a three-tier riffle splitter. Diamond core is a combination of HQ, NQ2 and NQ3 sizes and all Diamond core was logged for lithological, alteration, geotechnical, density and other attributes. In addition, WAF Diamond core was logged for structural attributes. Half-core sampling was completed at 1m and 1.5m intervals for WAF and CHU respectively. QAQC procedures were completed as per industry standard practices (i.e. certified standards, blanks and duplicate sampling were sent with laboratory sample dispatches).</li> <li>CHU RC samples were dispatched to Abilab Burkina SARL (ALS Laboratory Group) in Ouagadougou. CHU DD samples were dispatched to SGS Burkina Faso SA (SGS) in Ouagadougou and WAF RC and DD samples were dispatched to BIGS Global Burkina SARL (BIGS) in Ouagadougou. The Diamond core samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis for gold by 50g standard fire assay method (FA) followed by an atomic absorption spectrometry (AAS) finish. WAF and CHU RC drilling was used to obtain 1m and 2m composite samples respectively from which 3 kg was pulverised (total prep) to produce a sub sample for assaying as above.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling in the resource area comprises NQ2, NQ3 or HQ sized core. RC depths range from 13m to 204m and DD depths range from 49.5m to 410.2m. WAF Diamond core was oriented using an orientation spear with &gt;50% of orientations rated as "confident". RC and AC drilling within the resource area comprises 5.5 inch and 4.5 inch diameter face sampling hammer and aircore blade drilling</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are &gt;90% for the diamond core and &gt;70% for the RC; there are no core loss issues or significant sample recovery problems. A technician is always present at the rig to monitor and record recovery.</li> <li>Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination.</li> <li>The resource is defined by DD and RC drilling, which have high sample recoveries. No relationship between sample recovery and grade have been identified at the project. The consistency of the mineralised intervals and density of drilling is considered to preclude any issue of sample bias due to material loss or gain.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/geotechnical table of the database.</li> <li>Logging of diamond core and RC samples recorded</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>photography.</p> <ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p>lithology, mineralogy, mineralisation, structural (WAF DD only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form.</p> <ul style="list-style-type: none"> <li>All drilling has been logged to standard that is appropriate for the category of Resource which is being reported.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Core was cut in half onsite using a CM core cutter. All samples were collected from the same side of the core.</li> <li>RC samples were collected on the rig using a three tier splitter. All samples were dry.</li> <li>The sample preparation for all samples follows industry standard practice. The samples were dispatched to the laboratory (as per section 'Sampling Techniques') where they were crushed, dried and pulverised to produce a sub sample for analysis. Sample preparation involved oven drying, coarse crushing, followed by total pulverisation LM2 grinding mills to a grind size of 90% passing 75 microns.</li> <li>Field QC procedures involve the use of certified reference material as assay standards, blanks and duplicates. The insertion rate of these averaged 3:20.</li> <li>Field duplicates were taken on 1m and 2m composites for WAF and CHU RC samples respectively, using a riffle splitter.</li> <li>The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>The laboratory used an aqua regia digest followed by fire assay with an AAS finish for gold analysis.</li> <li>No geophysical tools were used to determine any element concentrations used in this Resource Estimate.</li> <li>Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 90% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained.</li> <li>Repeat or duplicate analysis for samples reveals that precision of samples is within acceptable limits. For Diamond core, one blank and one standard is inserted every 18 core samples and no duplicates. For RC samples, one blank, one standard and one duplicate is inserted every 17 samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>The CP has visually verified significant intersections in diamond core and RC drilling as part of the Resource Estimation process.</li> <li>Six RC holes and one diamond holes were twinned by diamond holes (2 drilled by WAF, 5 by CHU). Results returned from the twins were consistent with original holes.</li> <li>Primary data was collected using a set of company standard Excel™ templates on Toughbook™ laptop computers using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final Access™ database by the company's database manager.</li> <li>The results confirmed the initial intersection geology.</li> <li>No adjustments or calibrations were made to any assay data used in this estimate.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All drill holes have been located by DGPS in UTM grid WGS84 Z30N. WAF DD down hole surveys were completed every 25m and at the end of hole using a Reflex down hole survey tool. CHU DD down hole surveys were completed every 3m with a Reflex EZ-Trac survey tool and CHU RC holes were surveyed every 5m using a GYRO Smart survey instrument.</li> </ul>

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

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Tanlouka Permit covers 78km<sup>2</sup>. The Company currently owns 90% of the permit and has a right to acquire the remaining 10% of the permit following the completion of a positive feasibility study, and making cash and share payments. The Tanlouka Permis de Recherche arrêté No 2012 000321/MCE/SG/DGMG, covers 78km<sup>2</sup> and is valid until 27 January 2016. All licences, permits and claims are granted for gold. All fees have been paid, and the permits are valid and up to date with the Burkinabe authorities. The payment of gross production royalties are provided for by the Mining Code and the amount of royalty to be paid for ranges from 3% (&lt;US\$1300), 4% (US\$1300-1500) and 5% (&gt;US\$1500).</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>Exploration activities on the Tanlouka permit by previous workers have included geological mapping, rock and chip sampling, geophysical surveys, geochemical sampling and drilling, both reverse circulation and core. This work was undertaken by Channel Resources personnel and their consultants from 1994 until 2012.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Tanlouka is located within a strongly arcuate volcano-sedimentary northeast-trending belt that is bounded to the east by the Tiébélé-Dori-Markoye Fault, one of the two major structures subdividing Burkina Faso into three litho-tectonic domains. The geology of the Tanlouka area is characterized by metasedimentary and volcanosedimentary rocks, intruded by mafic, diorite and granodiorite intrusions. The Mankarga 5 area is characterised by a sedimentary pile which is mostly composed of undifferentiated pelitic and psammitic</li> </ul>



Criteria	JORC Code explanation	Commentary
		metasediments as well as volcanosedimentary units. This pile has been intruded by a variably porphyritic granodiorite, overprinted by shearing in places, and is generally parallel to sub-parallel with the main shear orientation. In a more regional context, the sedimentary pile appears “wedged” between regional granites and granodiorites. The alteration mineralogy varies from chloritic to siliceous, albitic, calcitic and sericite-muscovite. Gold mineralisation in the project area is mesothermal orogenic in origin and structurally controlled. The project area is interpreted to host shear zone type quartz-vein gold mineralisation. Observed gold mineralization at Mankarga 5 appears associated with quartz vein and veinlet arrays, silica, sulphide and carbonate-albite, tourmaline-biotite alteration. Gold is free and is mainly associated with minor pyrite, chalcopyrite and arsenopyrite disseminations and stringers.
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Significant intercepts that form the basis of this Resource Estimate have been released to the ASX in previous announcements (available on the WAF website) with appropriate tables incorporating Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay Data. Appropriate maps and plans also accompany this Resource Estimate announcement.</li> <li>Drilling completed by Channel Resources is documented in the publically available report “NI 43-101 Technical Report on Mineral Resources for the Mankarga 5 Gold Deposit Tanlouka Property, Burkina Faso for Channel Resources Ltd” prepared by AMEC Consultants and dated 17 August 2012.</li> <li>A complete listing of all drill hole details is not necessary for this report which describes the Mankarga5 Gold Resource and in the Competent Person’s opinion the exclusion of this data does not detract from the understanding of this report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All intersections are assayed on one meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t Au. Mineralised intervals are reported on a weighted average basis.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>The appropriate plans and sections have been included in the body of this document</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>All grades, high and low, are reported accurately with “from” and “to” depths and “hole identification” shown</li> </ul>
Other substantive exploration	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary metallurgical test work was completed in 2012, with excellent results. Gold recoveries are up to 95% from oxide bottle roll tests, and up to 92% for sulphide bottle</li> </ul>

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

### Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<p>of economic significance. Some minor domains were estimated via ordinary kriging due to paucity of data and 3D data configuration. Samples were composited to 3m, which is the most common sample interval</p> <ul style="list-style-type: none"> <li>A block size of 10m E by 25m N by 10m RL was selected as an appropriate block size for estimation given the drill spacing (50m strike spacing) and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining).</li> <li>Variography from the main domains indicated a moderate nugget of approximately 30% to 40%, with maximum range of 100m to 200m (strike), intermediate range of (dip) 50m to 100m and minor axis of 10m to 20m. Elliptical search neighbourhoods within domains were used orientated parallel to the orientation of the shear. Search ranges were based on the variograms and were typically 150m along strike, 1500m down dip and 30m across strike. Indicator variography was modelled for input to MIK grade estimates. Typically 17 grade cutoffs were chosen per domain and every second indicator variogram calculated and modelled. Intermediate indicator variogram parameters were interpolated based on the bounding modelled variograms.</li> <li>Wireframed mineralisation domains were used as “hard boundaries” for estimation. Oxide and transitional mineralisation were estimated together with the fresh/sulphide mineralisation.</li> <li>high grade cutting is not a necessary process in the context of MIK grade estimation, however high grade cutting was undertaken prior to the experimental variogram calculations. High grade cuts were typically light and were considered to have a negligible effect on the overall mean grades. High grade cutting was used in calculation to the conditional grade statistics as input to the change of support process.</li> <li>The block model estimates were validated by visual comparison of whole block grades (etype) to drill hole composites, comparison of composite and block model statistics, generating grade shells and visually assessing them and swath plots of composite versus whole block model grades.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li><i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i></li> </ul>	<ul style="list-style-type: none"> <li>The tonnages in the estimate are for dry tonnage with no factoring for moisture.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li><i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>The most likely development scenario for the deposit is as an open cut (pit) mine. Based on this assumption reporting cut-offs of 0.5 g/t Au and 1.0 g/t Au are appropriate with the cut-off dependent on the scale of any potential future operation.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>Open pit mining is assumed and this has been factored into the grade estimates. A selective mining unit dimension of 5m E by 12.5m N by 5m RL has been selected as appropriate and used as input to the change of support process.</li> <li>No additional mining dilution has been applied to the reported estimate as the estimation method can be considered to incorporate dilution</li> <li>There are minor artisanal gold workings in the project area. Production from these is understood to be minimal so no mining depletion has been applied to the model.</li> </ul>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li><i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the</i></li> </ul>	<ul style="list-style-type: none"> <li>Preliminary metallurgical test work was completed in 2012, with excellent results. Gold recoveries are up to 95% from oxide bottle roll tests, and up to 92% for sulphide bottle roll tests and a significant proportion of the gold is recoverable by gravity concentration. Further column test work was completed in 2014. Results showed that oxide material is amenable to conventional heap leach processing. Recoveries of between 84% and 90% were achieved.</li> </ul>

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

## Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<ul style="list-style-type: none"> <li><i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i></li> <li><i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i></li> </ul>	<ul style="list-style-type: none"> <li>The mineral resource estimate for the Mankarga 5 deposit, used as a basis for conversion to the ore reserve estimate reported here, was compiled by Brian Wolfe, an independent consultant using data supplied by WAF. The data included survey, drilling, assay and density checks. This information was used as a basis to determine the parameters of estimation in the construction of an MIK block model. The February 2015 Mankarga 5 Mineral Resource is inclusive of the April 2015 Mankarga 5 Ore Reserve.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li><i>If no site visits have been undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>Nigel Spicer (CP) visited the Mankarga 5 site from 9 March to 11 March 2015 inclusive. The site visits entailed review of project location, topographical and hydrological features, drill core and infrastructure. Meetings with exploration geologists involved discussions regarding physical characteristics of the rock types, oxidation profiles and continuity of mineralisation.</li> </ul>
<i>Study status</i>	<ul style="list-style-type: none"> <li><i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i></li> <li><i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Mankarga 5 project is the subject of a Pre-Feasibility level study (PFS)</li> </ul>
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <li><i>The basis of the cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Economic and metallurgical recovery factors were applied to determine the economic cut off grade. Separate factors were applied depending on the level of oxidation of the mineralisation. The economic factors were estimated from first principles and the metallurgical recoveries were based on metallurgical testwork.</li> </ul>
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <li><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></li> <li><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></li> <li><i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></li> <li><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li> <li><i>The mining dilution factors used.</i></li> <li><i>The mining recovery factors used.</i></li> <li><i>Any minimum mining widths used.</i></li> <li><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li> <li><i>The infrastructure requirements of the selected mining methods.</i></li> </ul>	<ul style="list-style-type: none"> <li>The resource model which formed the basis for estimation of the (Feb 2015) Mineral Resource was used to create a Whittle 4D model for optimisation of a pit shell using operating costs and other inputs derived from contractor budget mining cost quotations, testwork and independent expert recommendations. The resultant optimal shell was then used as a basis for detailed design.</li> <li>Open pit mining techniques incorporating drilling and blasting and excavation loading and hauling were chosen as being an efficient and well tried method for exploiting near surface deposits such as the Mankarga 5 deposit.</li> <li>Slope design parameters were chosen based on parameters used elsewhere in similar types of deposit in similar geological settings.</li> <li>The Feb 2015 MIK Mineral Resource model includes internal and external dilution in the resource estimation process and no additional dilution was added to estimate Reserves. A mining recovery of 100% was used because the expanse and orientation of the mineralisation lends itself to accurate delineation and mining. A minimum mining width of 18m was included in the design philosophy which is considered by the CP to be appropriate for the size and type of equipment envisaged to be used.</li> <li>Inferred Resources were excluded from the estimation of Reserves and designated as waste. Approximately 3% of the Resource contained within the final pit design is classified as Inferred and its conversion to a Reserve would increase the project value accordingly.</li> <li>It is envisaged that a Mining Contractor would undertake the mining and would supply all necessary infrastructure, equipment and consumables to execute</li> </ul>



Criteria	JORC Code explanation	Commentary
		the contract. WAF would supply power and water from their proposed facilities.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</li> <li>Whether the metallurgical process is well-tested technology or novel in nature.</li> <li>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</li> <li>Any assumptions or allowances made for deleterious elements.</li> <li>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</li> <li>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</li> </ul>	<ul style="list-style-type: none"> <li>The metallurgical process proposed (heap leaching) is commonly applied to lower grade and lower tonnage mineralisation of the type tested, particularly for oxide or heavily weathered zones. Whilst typically extractions are lower than a crush-grind-cyanidation leach flowsheet option, the reduced capital and operating costs combined with the relative simplicity of operation and maintenance result in a superior cash flow. Of note, the extractions for the oxidised ores are high utilising the heap leach process on the Tanlouka ores making the difference between heap leach and crush-grind-cyanide leach extractions less significant than might commonly be found.</li> <li>The heap leaching process is a well tested technology. Numerous local and international projects have successfully utilised this process.</li> <li>Test work results reported to date have been achieved by evaluating a number of composites representing various degrees of oxidation. Composites were made up of numerous core samples taken from various areas in plan along the main strike of the resource. The test work has shown the oxidised ores provide high leach extractions using heap leaching methods. The samples were tested at elevated reagent regimes and do not provide any detail with regard to variability.</li> <li>Future testwork will optimise crush size using larger columns to more accurately predict agglomeration demands and heap performance. Comminution characterisation testing of the samples is currently underway to evaluate these criteria.</li> <li>Metallurgical recovery factors included allowance (discounting) for practical losses such as localised channeling and soluble losses typical of an actual operation. The limited number of composites required an estimate of performance to be made by interpolating oxidation and grade influences.</li> <li>No allowance have been made for deleterious elements. The test work to date has not identified any elements that would be considered deleterious to the process applied.</li> <li>No bulk sample testing has been completed to date.</li> <li>Not Applicable</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental studies had commenced when the estimation of the April 2015 Reserves were undertaken however no results had been received. Waste rock characterisation testwork is planned for inclusion in the planned Feasibility Study but not yet commenced. The majority (84%) of the rock has been oxidised to some extent and visually shows no trace of sulphide material. The proposed waste dump is sited on relatively flat ground and has been designed with a height of 25m and overall slopes of 20°.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</li> </ul>	<ul style="list-style-type: none"> <li>The project has good road access and an existing exploration camp. The leased project area has sufficient area available for the construction of all infrastructure requirements. It is proposed to upgrade the access road. Accommodation facilities will be constructed for senior WAF personnel and the balance of the workforce will be housed in surrounding villages. A quantity of potable bore water is available on site and process water will be sourced from a yet to be</li> </ul>

Criteria	JORC Code explanation	Commentary
		constructed collection and storage facility.
Costs	<ul style="list-style-type: none"> <li>The derivation of, or assumptions made, regarding projected capital costs in the study.</li> <li>The methodology used to estimate operating costs.</li> <li>Allowances made for the content of deleterious elements.</li> <li>The source of exchange rates used in the study.</li> <li>Derivation of transportation charges.</li> <li>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</li> <li>The allowances made for royalties payable, both Government and private.</li> </ul>	<ul style="list-style-type: none"> <li>Project capital costs were estimated by Mintrex using their internal database.</li> <li>Mining operating costs were based on budget quotations from a reputable international mining contractor. Administration costs were estimated from first principles for the proposed workforce and support.</li> <li>Processing costs were estimated from first principles based on the completed testwork and in-country delivered consumables costs.</li> <li>Exchange rates were current at the date of the study conclusion.</li> <li>Testwork indicates that the gold bullion product will have a high purity with minimal impurities and no deleterious elements.</li> <li>A total government royalty of 4% has been included in the economic factors.</li> </ul>
Revenue factors	<ul style="list-style-type: none"> <li>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</li> <li>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</li> </ul>	<ul style="list-style-type: none"> <li>The gold price used was current at the time of the study.</li> <li>The tonnage and head grade of proposed mill feed was estimated using the estimated quantity of the Feb 2015 Resource contained within the detailed pit design.</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</li> <li>A customer and competitor analysis along with the identification of likely market windows for the product.</li> <li>Price and volume forecasts and the basis for these forecasts.</li> <li>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</li> </ul>	<ul style="list-style-type: none"> <li>This has not been addressed as there is a transparent quoted derivative market for the sale of gold</li> </ul>
Economic	<ul style="list-style-type: none"> <li>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</li> <li>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</li> </ul>	<ul style="list-style-type: none"> <li>The economic analysis is based on a life of mine production schedule compiled by Minesure. This production schedule consists wholly of Probable Ore Reserves. No Inferred Resources are included in the schedule.</li> <li>Capital costs were estimated by Mintrex using their internal database and from their recent experience on similar projects in the West African region.</li> <li>Operating costs are based on quotations from suppliers and Original Equipment Manufacturers and have been used to estimate mining and processing costs based on first principal estimations.</li> <li>The cost estimates are to the accuracy of <math>\pm 25\%</math>.</li> <li>A project discount rate of 5% annually has been used to estimate the NPV.</li> <li>No inflation is included in the economic analysis.</li> </ul>
Social	<ul style="list-style-type: none"> <li>The status of agreements with key stakeholders and matters leading to social licence to operate.</li> </ul>	<ul style="list-style-type: none"> <li>ESIA is in progress and expected to be completed in June 2015</li> <li>Full permitting for the project is expected to be completed by the end of 2015</li> <li>Tenement licences are current</li> </ul>
Other	<ul style="list-style-type: none"> <li>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</li> <li>Any identified material naturally occurring risks.</li> <li>The status of material legal agreements and marketing arrangements.</li> <li>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be</li> </ul>	<ul style="list-style-type: none"> <li>Mining will be subject to interruptions caused by the rainy season which occurs primarily between May and September each year. This will be mitigated by maintaining good road drainage, adequate pit pumping capacity and establishing large surface stockpiles of mill feed. No other naturally occurring risks attributable to climatic or seismic conditions have been identified.</li> <li>ESIA work is in progress and expected to be completed in June 2015. Full permitting for the project is expected to be completed by the end of 2015</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i>	<ul style="list-style-type: none"> <li>The Company anticipates it will be in a position to apply for Mining Licence in August 2015, with granting of a Mining Licence expected before the end of the calendar year 2015</li> <li>Government approvals are in progress as above. The Company expects all approvals to be received in a timely manner.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>The basis for the classification of the Ore Reserves into varying confidence categories.</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> <li>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</li> </ul>	<ul style="list-style-type: none"> <li>The classification of the Mankarga 5 Reserve is in accordance with the recommendations of the JORC code 2012.</li> <li>Costs and factors applied in optimisation and cashflow analysis have been obtained or derived from identifiable sources. Results of optimisation and design reasonably reflect the views held by Nigel Spicer of the deposit.</li> <li>There is no measured Reserve.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Ore Reserve estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No audit of the Reserve has been carried out.</li> </ul>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</li> <li>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul style="list-style-type: none"> <li>The resource block model from which the mining reserve has been derived was based on a geostatistical estimation on data spacing that satisfies the continuity requirements for an Indicated Resource. Within the estimation process the effects of included dilution have been accounted for to produce an anticipated selective mining unit grade. The effects of this dilution are more pronounced in narrow zones of mineralisation, leading to overall grade reduction and loss of some narrow zones to waste through a drop below cutoff grade.</li> <li>Mining has not commenced so a comparison/ reconciliation to actual mining is not possible.</li> <li>There is a degree of uncertainty associated with geological estimates. The Reserve classifications reflect the levels of geological confidence in the estimates.</li> <li>Modifying factors have been based on detailed geotechnical analysis, however as no historical production data exists for the site there is a degree of uncertainty over these assumptions.</li> </ul>

**Technical Terms**

Ag	Chemical symbol for silver.
Aircore Drilling	Reverse Circulation drilling method, using a blade bit. A drilling method in which the sample is brought to the surface inside the drill rods using compressed air, reducing contamination.
Au	Chemical symbol for gold.
Auger Drilling	A drilling method in which the sample is brought to the surface via a helical
or spiral rods. Cu	Chemical symbol for copper.
Diamond Drilling (DD)	A rotary drilling method with diamond impregnated bits to produce a solid, continuous core sample of the rock.
g/t	grams per tonne.
ICP	Inductively Coupled Plasma (ICP)
MAD	Mixed acid digest including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a total digest for many elements however some refractory minerals are not completely attacked.
Mo	Chemical symbol for molybdenum.
MS	Mass Spectrometry
OES	Optical Emission Spectrometry
ppb	parts per billion, e.g. 1000 ppb Au equals 1 ppm Au, or 1 g/t Au.
ppm	parts per million, equivalent to g/t.
RAB Drilling	Rotary Air Blast drilling. A drilling method in which the sample is brought to the surface outside of the drill rods using compressed air.
RC Drilling	Reverse Circulation drilling. A drilling method in which the sample is brought to the surface inside the drill rods using compressed air, reducing contamination.
Re	Chemical symbol for Rhenium.
Rhenium	Rhenium is a rare metal that is highly resistant to heat and wear. Rhenium resembles manganese chemically and is obtained as a by-product of molybdenum and copper ore.
XRF	X-ray fluorescence (XRF) is the emission of characteristic "secondary" (or fluorescent) X-rays from a material that has been excited by bombarding with high-energy X-rays or gamma rays. The phenomenon is widely used for chemical analysis.