



26 April 2016

SHARE PLACEMENT: ASX LISTING RULE 7.1A.4(B) & 3.10.5A NOTICE

West African Resources Limited (ASX: WAF) ("the Company") advises that it has issued 29,800,000 fully paid ordinary shares ("Tranche 1 Shares") at 12.5 cents per share under ASX Listing Rule 7.1 and 7.1A, as announced on 15 April 2016.

Subject to shareholder approval at a general meeting to be held on 27 May 2016, the Company will issue up to a further 70,200,000 Shares ("Tranche 2 Shares").

The Company will send a notice of meeting to shareholders with respect to, amongst other things, the approval required for the issue of the Tranche 2 Shares.

The Company hereby provides notice to the ASX for the purposes of ASX Listing Rule 3.10.5A and ASX Listing Rule 7.1A.4(B) that on 26 April 2016 it issued 29,800,000 fully paid ordinary shares in the Company, of which 24,956,935 ordinary shares were issued in accordance with ASX Listing Rule 7.1A ("LR 7.1A Placement").

The issue price was 12.5 cents per share, with a total of \$3,725,000 in funds raised before costs.

Pursuant to the provisions of ASX Listing Rule 3.10.5A in which the issue of 24,956,935 ordinary shares were made under ASX Listing Rule 7.1A, the Company states that:

- a) The 7.1A Placement of 24,956,935 ordinary shares represented 8.8% of the expanded ordinary shares on issue of the Company, resulting in a dilution to the existing holders of ordinary securities by that amount.

Further details of the approximate percentage of the post-placement capital held in aggregate by the following, are as follows:

| Placement % of issued capital | Post Placement % of issued capital held by pre-placement shareholders |
|-------------------------------|---|
| 8.80% | 91.20% |

| Pre Placement Shareholders | | |
|----------------------------|-------------------------------|------------------|
| Participants in Placement | Non-Participants in Placement | New Shareholders |
| 0.79% | 90.41% | 8.01% |

- b) The Company issued the shares as a placement under ASX Listing Rule 7.1A as it was of the view that it was the most efficient and expedient mechanism to raise the funds required for exploration drilling and resource drill out of the M1 high grade gold discovery and a Definitive Feasibility Study of its 100% owned Tanlouka Gold Project, Burkina Faso.
- c) The Company confirms that there was no underwriter with respect to the Placement.
- d) Applications for the 24,956,935 ordinary shares issued under ASX LR 7.1A were made via Hartleys Limited, the Lead Broker to the Placement. The Company will pay Hartleys a capital raising fee comprising a management fee of 2% and a distribution fee of 4%, of the total placement amount in addition to a monthly advisory fee. The Company also agreed to issue the broker up to 10,000,000 unlisted options, exercisable at 8.5 cents, with a term of 3 years from date of issue.



Simon Storm
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

WEST AFRICAN RESOURCES LIMITED

ABN

70 121 539 375

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares (WAF) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 29,800,000 ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares (WAF) |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|--|--|
| 4 | <p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes |
| 5 | Issue price or consideration | \$0.125 |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | For exploration drilling and resource drill out of the M1 high grade gold discovery and a Definitive Feasibility Study of its 100% owned Tanlouka Gold Project, Burkina Faso, as well as for general working capital purposes. |
| 6a | <p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | Yes |
| 6b | The date the security holder resolution under rule 7.1A was passed | 18 November 2015 |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | 4,843,065 |
| 6d | Number of +securities issued with security holder approval under rule 7.1A | 24,956,935 |

+ See chapter 19 for defined terms.

| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | - | | | | |
|-------------------|--|---|--------|--------|-------------------|-----------------|
| 6f | Number of securities issued under an exception in rule 7.2 | - | | | | |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | Yes - 15 day VWAP 13.9 cents (75% - 10.4 cents) on 13 April 16 (IRESS) Issue price on 26 April 2016 – 12.5 cents | | | | |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | - | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | rule 7.1 - rule 7.1A - 40,137 Total <u>40,137</u> | | | | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 26 April 2016 | | | | |
| 8 | Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable) | <table><tr><th>Number</th><th>+Class</th></tr><tr><td>338,673,253 (WAF)</td><td>Ordinary shares</td></tr></table> | Number | +Class | 338,673,253 (WAF) | Ordinary shares |
| Number | +Class | | | | | |
| 338,673,253 (WAF) | Ordinary shares | | | | | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | | |
|----|--|--------------------|---|
| 9 | Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable) | Number | ⁺ Class |
| | | 4,107,149 (WAFaq) | Options with an exercise price of 40 cents expiring 17 Jan 2017 |
| | | 14,918,508 (WAFAY) | Warrants with an exercise price of 40 cents expiring 17 Jan 2017 |
| | | 827,500 (WAFaz) | West African Replacement Options with exercise prices of between 42 cents and \$1.66 expiring between 23 Mar 15 and 26 Jul 17 |
| | | 40,545,224 (WAFaz) | Options with an exercise price of 14 cents expiring 30 Sep 2017 |
| | | 5,750,000 (WAFaa) | Options with an exercise price of 14.5 cents expiring 20 Feb 2018 |
| | | 500,000 (WAFaz) | Options with an exercise price of 10.0 cents expiring 18 Aug 2018 |
| | | 2,000,000 (WAFaz) | Options with an exercise price of 14.5 cents expiring 1 Dec 2018 |
| | | 5,000,000 (WAFaz) | Options with an exercise price of 8.45 cents expiring 22 Dec 2018 |
| | | | |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | n/a | |

Part 2 - Bonus issue or pro rata issue

| | | |
|----|--|-----|
| 11 | Is security holder approval required? | n/a |
| 12 | Is the issue renounceable or non-renounceable? | |

⁺ See chapter 19 for defined terms.

| | | |
|----|---|--|
| 13 | Ratio in which the ⁺ securities will be offered | |
| 14 | ⁺ Class of ⁺ securities to which the offer relates | |
| 15 | ⁺ Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |

⁺ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|--|
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | ⁺ Despatch date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought -
- 39 Class of +securities for which quotation is sought -
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? -
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

-

- 42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)

| Number | ⁺ Class |
|--------|--------------------|
| - | - |

⁺ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

.....Date 26 April 2016
Company Secretary

Print name: **Simon Storm**

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for⁺ eligible entities

Introduced 01/08/12

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|-------------|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue | 270,301,498 |
| Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | 4,669,214 |
| Subtract the number of fully paid ordinary securities cancelled during that 12 month period | - |
| “A” | 274,970,712 |

⁺ See chapter 19 for defined terms.

| | |
|---|--|
| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 41,245,607 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p>1 - (17-Nov-15) 31,402,541 – placement shares (22-Dec-15) 5,000,000 – unlisted options (22-Dec-15) 4,843,065 – placement shares (26 Apr 16)</p> |
| “C” | 41,245,607 |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| <p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p> | 41,245,607 |
| <p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p> | 41,245,607 |
| Total [“A” x 0.15] – “C” | - <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 274,970,712 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 27,497,071 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items | 2,499,999 – issue (17-Nov-15) 24,956,935– placement shares (26 Apr 16) |
| “E” | 27,456,934 |

+ See chapter 19 for defined terms.

| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
|--|---|
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 27,497,071 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 27,456,934 |
| Total [“A” x 0.10] – “E” | 40,137 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.