



## Press Release

31<sup>st</sup> October 2016

### SEPTEMBER 2016 QUARTERLY REPORT

West African Resources Limited (ASX, TSXV: WAF) is pleased to report activities on its 100%-owned gold and copper-gold projects in Burkina Faso, West Africa, for the quarter ending 30 September 2016.

#### Highlights

##### **Tanlouka Gold Project**

*Further spectacular results including*

- ✓ • TAN16-DD052: 4m at 32.04 g/t Au from 122m Au and 10m at 18.33g/t Au from 172m
- ✓ • TAN16-DD055: 9m at 11.17 g/t Au, from 197m and 16m at 69.11 g/t Au from 209m

*Maiden Mineral Resource for M1 & M3 deposits, updated estimate for M5 deposit*

- ✓ Project mineral resources now 9.8Mt tonnes at 2.1 g/t Au for 670,000 ounces of gold (Indicated) and a further 10.7Mt tonnes at 2.0 g/t Au for 695,000 ounces of gold (Inferred)<sup>1</sup>
- ✓ 34% increase in Indicated mineral resources for Tanlouka Gold Project
- ✓ Maiden M1 South Indicated mineral resource of 290,000 tonnes at 10.3 g/t Au for 96,000 ounces of gold and Inferred mineral resource of 410,000 tonnes at 6.4 g/t Au for 83,000 ounces of gold<sup>1</sup>
- ✓ M1 South structure averages 1,600 ounces per vertical metre 30m to 130m below surface and remains open along strike and down plunge
- ✓ Resource update in Q4 following a 10,000m diamond drilling campaign to test mineralisation down to 300 vertical metres.

*Permitting & Feasibility Study*

- ✓ Resettlement Action Plan (RAP) and the Environmental and Social Impact Assessment (ESIA) approved by Burkina Faso's Ministry of Environment, Green Economy and Climate Change. Final step before approval of Mining Permit, expected by end of 2016.
- ✓ Feasibility Study on track for completion in Q4 2016, with results to be reported in January 2017.

##### **Corporate**

- ✓ \$21 million placement completed
- ✓ US\$5 million debt facility repaid

##### **September 2016 Quarter Summary**

- ✓ 7,150 m drilled
- ✓ \$2.39m Exploration and Development Expenditure
- ✓ \$0.5m Administration Costs
- ✓ \$21.2m cash in bank at 30 September 2016

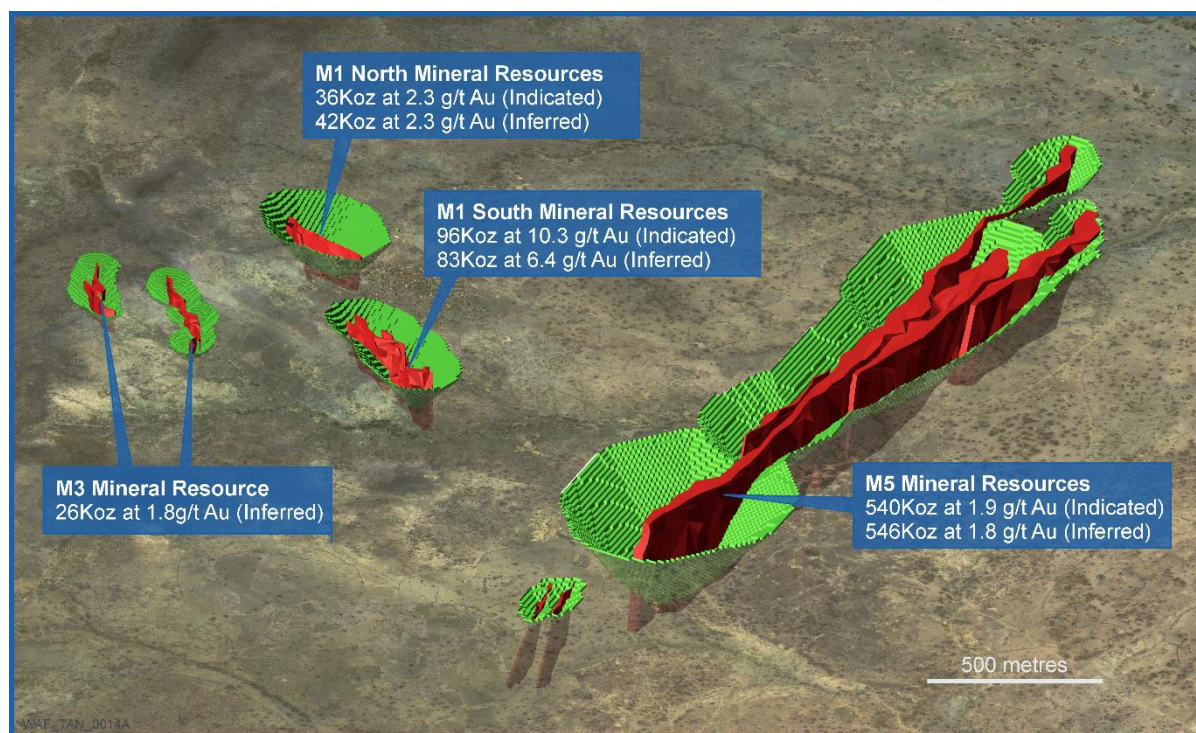
##### **December 2016 Quarter Plans**

- ✓ Further drilling at M1, M3 and M5 prospects
- ✓ Upgraded Mineral Resource estimates for M1, M3 and M5
- ✓ Feasibility study in progress on track for completion in Q4 2016
- ✓ Mining Permit expected Q4 2016

### Tanlouka Gold Project – Mineral Resource Studies

During the quarter, Mineral Resource estimates for the Tanlouka Gold Project were completed by independent resource consultant International Resource Solutions Pty Ltd (IRS). Mineral resources were prepared in accordance with the requirements the 2012 JORC Code and disclosed in accordance with NI 43-101, under which the 2012 JORC Code is acceptable for mineral resource calculation and disclosure.

**Figure 1: Tanlouka Gold Project Mineral Resources, 1 August 2016**



**TABLE 1: MINERAL RESOURCE STATEMENT, TANLOUKA GOLD PROJECT,**  
International Resource Solutions Pty Ltd, with an effective date of August 1, 2016

	Cut-off	Indicated Resource			Inferred Resource		
	(Au g/t)	Tonnes	Grade	Au Oz	Tonnes	Grade	Au Oz
			(Au g/t)			(Au g/t)	
<b>M5</b>	0.5	22,400,000	1.2	842,000	24,100,000	1.1	877,000
	1	9,000,000	1.9	540,000	9,300,000	1.8	546,000
<b>M1 South</b>	0.5	510,000	6.2	101,000	700,000	4.0	90,000
	1	290,000	10.3	96,000	410,000	6.4	83,000
	5	110,000	23.0	85,000	100,000	18.8	63,000
<b>M1 North</b>	0.5	630,000	2.0	40,000	770,000	1.9	47,000
	1	500,000	2.3	36,000	570,000	2.3	42,000
<b>M3</b>	0.5	-	-	-	540,000	1.6	29,000
	1	-	-	-	440,000	1.8	26,000
<b>Total</b>	0.5	23,530,000	1.3	980,000	26,110,000	1.2	1,043,000
	1	9,790,000	2.1	670,000	10,720,000	2.0	695,000

\*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Mineral resources have been reported within optimized pit shells using a gold price of US\$1650/oz a cut-off grade of 0.3 g/t Au for oxide mineralization and 0.4 g/t Au for fresh rock derived by the following key input parameters. Metallurgical recovery for CIL processing: oxide and transitional - 95% & fresh - 90%. Mining cost: \$1.50/t oxide; \$1.90/t transitional; \$2.50/t fresh. Process costs: \$9.00/t for oxide; \$12.00/t for transitional and fresh. Pit slope angles of 45° for oxide and 50° for transitional and fresh at a conceptual annual production rate of 2.5 Mtpa.

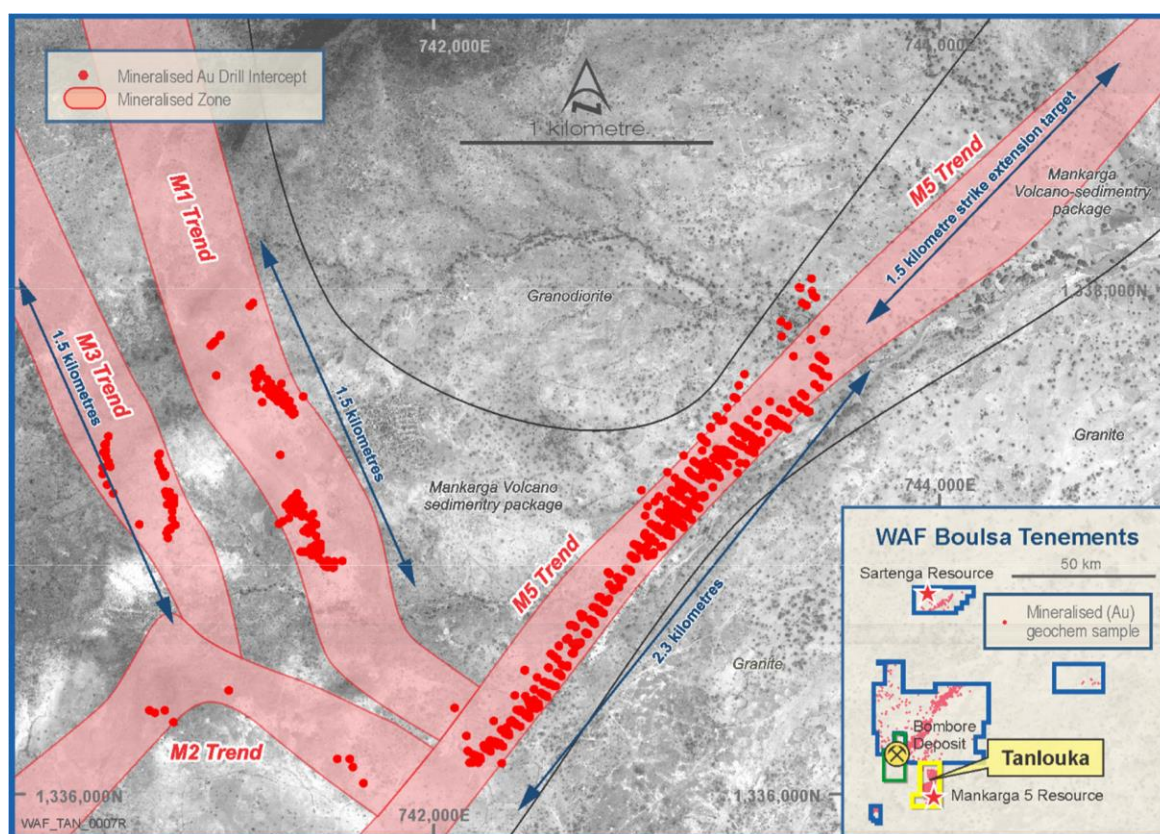
### **Tanlouka Gold Project – Exploration**

The Company's focus shifted to M1 South since the discovery of high grade gold shoots in March 2016, and it is accelerating its drilling to focus on adding to the resource inventory and upgrading inferred resources to higher categories at M1 South as well as M5, M1 North and M3, with a resource update expected in Q4 2016.

Currently the Company is diamond drilling at M1 South with the aim of extending mineralisation beneath the current resource. Drilling is being completed using two multipurpose contract rigs operating double shift. Drilling is being completed on 25m by 50m grid along 350m of strike.

WAF's two diamond rigs have returned to M5 and are tailing RC holes that ended in mineralisation (ASX, TSXV: 14/09/16). Step-out drilling to the northwest of M1 and closing the gap between M1 and M5, is expected to start in late October or early November.

**Figure 2 – Mineralised trends and prospect locations**



#### ***M1 Prospect***

Diamond drilling is in progress at M1 South with the aim of extending mineralisation beneath the current resource. Drilling is being completed using two multipurpose contract rigs operating double shift, in parallel with WAF's two diamond rigs operating on a single shift basis. Drilling is being completed on 25m by 50m grid along 350m strike. Significant results from the on-going drilling program include:

- TAN16-DD046: 2m at 14.53 g/t Au from 114m, and 3m at 13.18 g/t Au from 150m
- TAN16-DD048: 18m at 1.11 g/t Au from 147m



- TAN16-DD049: 1m at 11.68 g/t Au from 169m
- TAN16-DD052: 4m at 32.04 g/t Au from 122m, including 1m at 82.08g/t Au - and 10m at 18.33g/t Au from 172m including 1m at 165.14g/t Au.
- TAN16-DD053: 4m at 1.74 g/t Au from 126m
- TAN16-DD054: 6m at 1.3 g/t Au from 174m, and
  - 7m at 1.95 g/t Au from 183m, and
  - 3m at 8.91 g/t Au from 218m including 1m at 23.8g/t Au
- TAN16-DD055: 9m at 11.17 g/t Au, from 197m including 2m 32.8g/t Au, and
  - **16m at 69.11 g/t Au from 209m, including 2m at 315.3g/t Au**
- TAN16-DD056 2m at 4.06 g/t Au from 221m

Step-out drilling on NW500 intercepted broad lower grade mineralisation including 9m at 0.85 g/t Au from 17m and 7m at 0.83 g/t Au from 32m in TAN16-RC180, and 10m at 0.54 g/t Au from 4m in TAN16-RC181, indicating a fertile system open along strike at M1 North. A summary plan and sections for M1 South are presented below.

Figure 3: M1 South Summary Plan

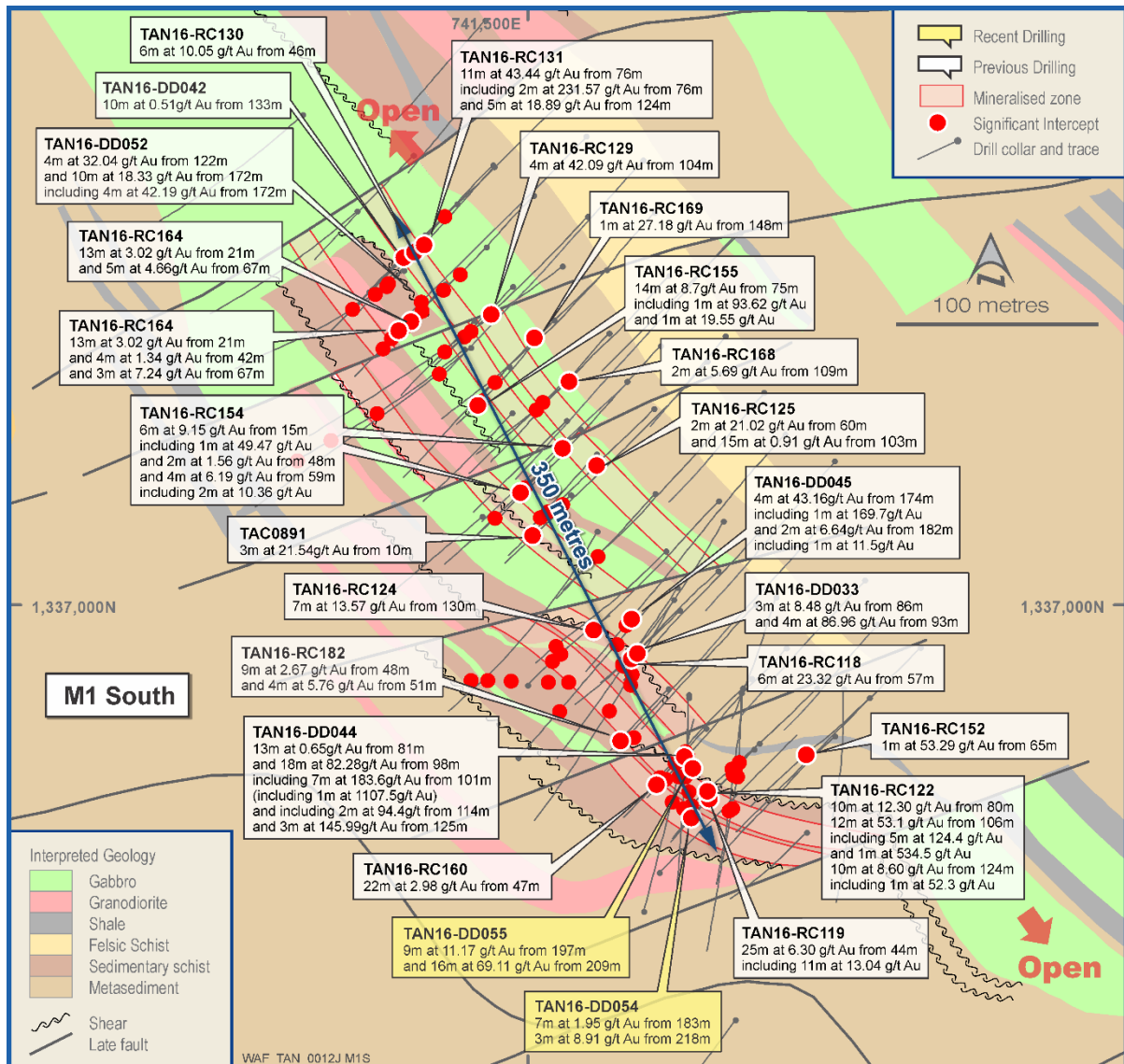
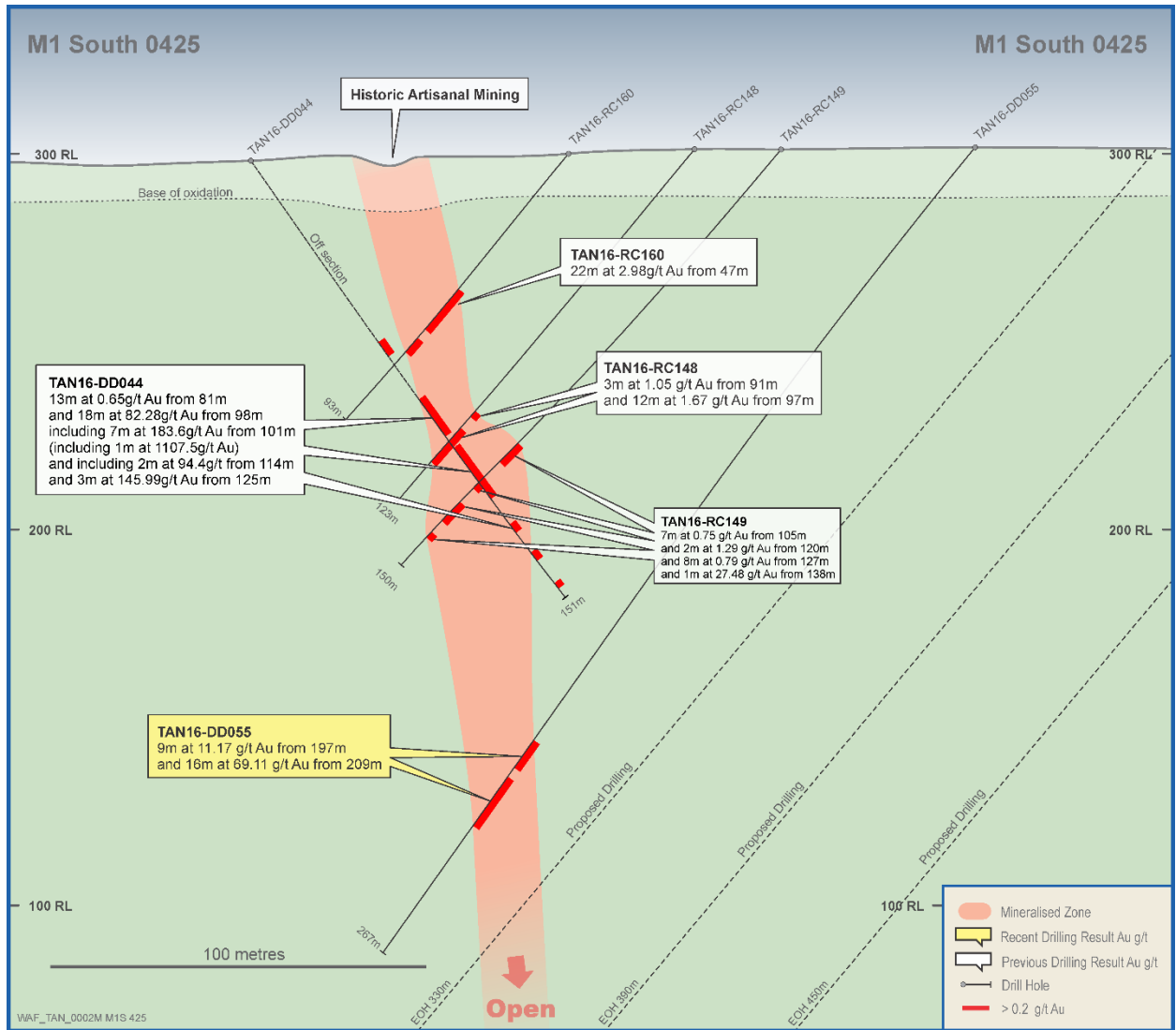


Figure 4: M1 South Section SE0425



### M5 Prospect

During the quarter, a drill program of 3,000m commenced at M5 to upgrade mineralisation from Inferred to Indicated category for inclusion in CIL open-pit mining studies by the end of 2016. Previous drilling by WAF at M5 in 2014-15 focussed on the predominantly oxide mineralisation. None of these results have been included in the current resource estimation studies planned for release in Q4 2016. Significant results included:

- TAN16-RC189: 5m at 4.12 g/t Au from 97m
- TAN16-RC193: 9m at 4.52 g/t Au from 77m
- TAN16-RC194: 13m at 1.48 g/t Au from 19m
- TAN16-RC194: 11m at 0.92 g/t Au from 91m
- TAN16-RC195: 10m at 1.28 g/t Au from 53m
- TAN16-RC196: 23m at 1.92 g/t Au from 45m
- TAN16-RC198: 9m at 1.44 g/t Au from 29m
- TAN16-RC198: 25m at 0.79 g/t Au from 72m
- TAN16-RC199: 5m at 3.0 g/t Au from 112m
- TAN16-RC200: 16m at 1.97 g/t Au from 86m
- TAN16-RC200: 12m at 4.16 g/t Au from 113m
- TAN16-RC201: 26m at 1.41 g/t Au from 86m
- TAN16-RC201: 9m at 1.28 g/t Au from 116m
- TAN16-RC202: 10m at 1.07 g/t Au from 21m
- TAN16-RC202: 44m at 1.56 g/t Au from 46m
- TAN16-RC203: 15m at 0.67 g/t Au from 38m
- TAN16-RC203: 17m at 1.17 g/t Au from 73m
- TAN16-RC203: 6m at 1.69 g/t Au from 105m
- TAN16-RC204: 8m at 1.36 g/t Au from 90m
- TAN16-RC205: 26m at 1.29 g/t Au from 1m
- TAN16-RC205: 10m at 1.42 g/t Au from 30m
- TAN16-RC206: 8m at 1.83 g/t Au from 1m
- TAN16-RC206: 21m at 2.34 g/t Au from 21m
- TAN16-RC206: 11m at 1.09 g/t Au from 126m
- TAN16-RC208: 7m at 4.11 g/t Au from 48m
- TAN16-RC209: 11m at 1.24 g/t Au from 79m
- TAN16-RC209: 18m at 1.25 g/t Au from 93m
- TAN16-RC209: 9m at 1.88 g/t Au from 154m
- TAN16-RC210: 15m at 1.51 g/t Au from 76m
- TAN16-RC211: 30m at 1.16 g/t Au from 62m
- TAN16-RC212: 24m at 2.06 g/t Au from 3m
- TAN16-RC212: 4m at 3.1 g/t Au from 32m
- TAN16-RC212: 24m at 0.87 g/t Au from 66m

Figure 5: M5 Summary Plan

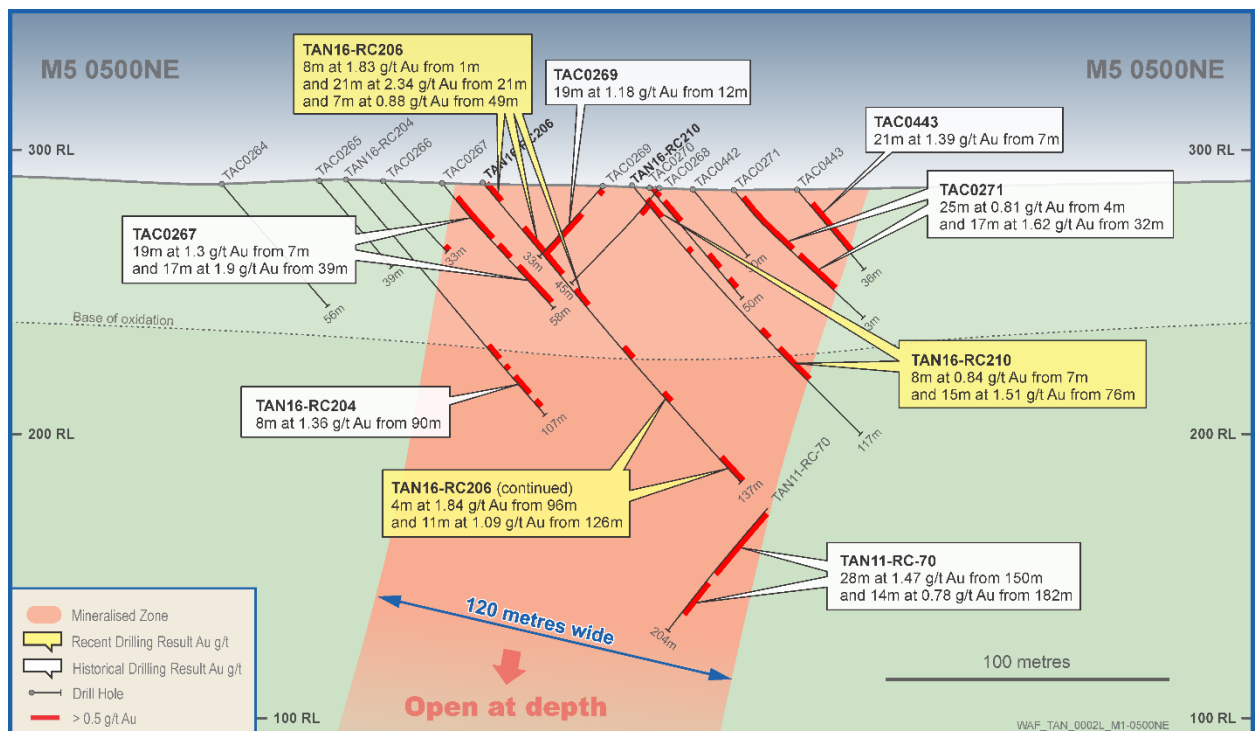
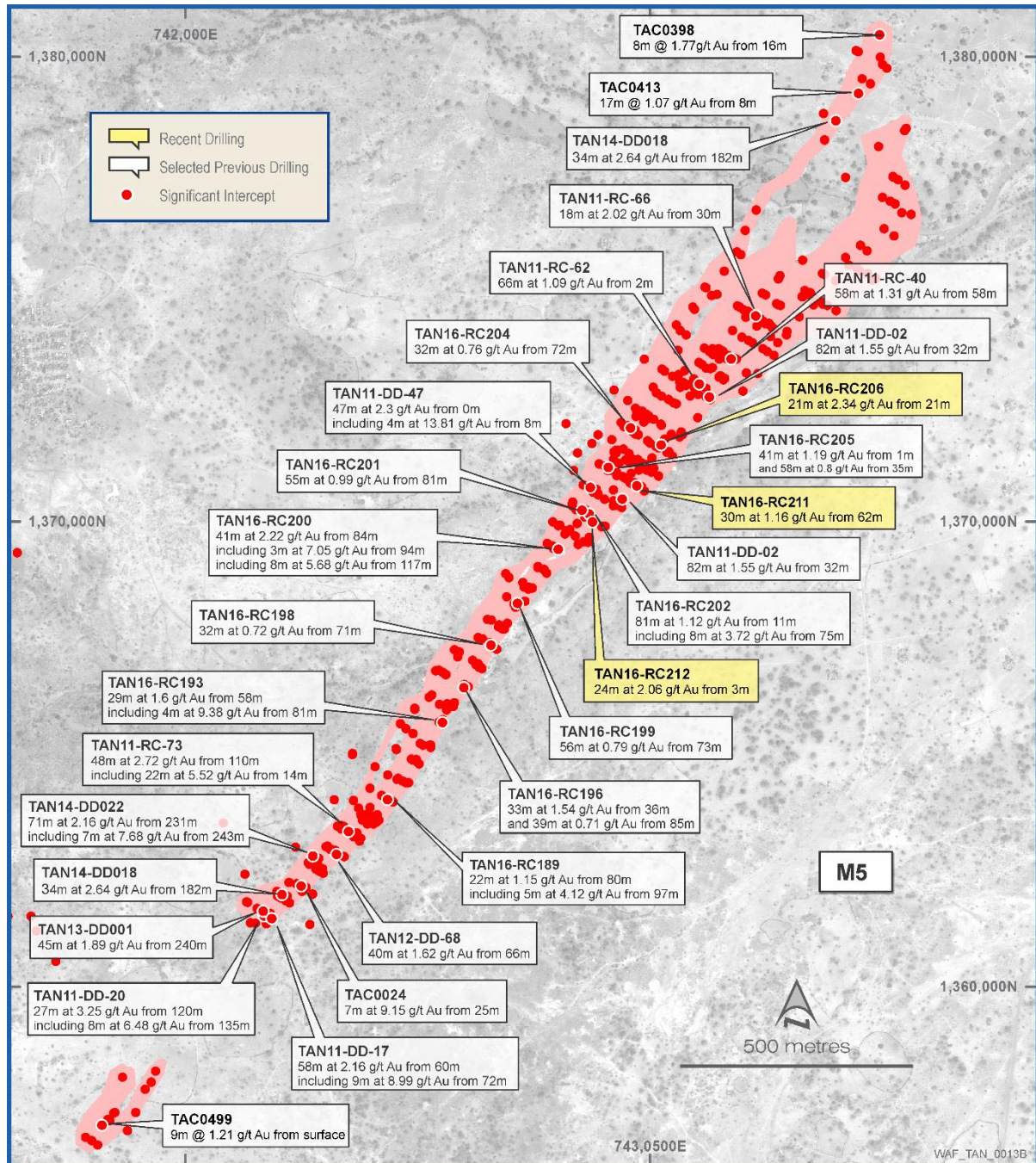




Figure 6: M5 Summary Plan



## Feasibility Study

### Permitting

The Burkina Faso Ministry of Environment, Green Economy and Climate Change delivered a favourable opinion of the Company's Resettlement Action Plan (RAP) and the Environmental and Social Impact Assessment (ESIA) in relation to the mining permit application for Tanlouka. This is the penultimate part of the permitting process for the Tanlouka Gold Project.

Post the end of the quarter Company management had an audience with the Minister of Mines and discussed the progress of the Tanlouka Gold Project. The final decision to grant the mining permit, made by the Council of Ministers and decreed by the Cabinet of the Government of Burkina Faso, is expected before the end of the year.

*Metallurgical Test Work*

Much of the metallurgical test work program complete for our previous heap leach PFS is applicable to the CIL feasibility study. The Company has completed additional metallurgical test work holes at M1 and M3. All core was freighted to ALS in Perth by the end of June, and results from this work will be incorporated into the DFS in Q4 2016. Design criteria for the CIL plant will likely include a conventional crushing and milling circuit, and gravity recovery circuits, but various throughput rates are being considered.

*Infrastructure*

A detailed drone survey of the mine site has commenced to determine the location of key infrastructure, such as the CIL plant, the crusher and stockpiles, the tailings storage facility, waste storage facilities, and the water abstraction and storage system.

**Timeline**

An updated timeline for the project is below. It is the Company's goal to have the project permitted with a completed DFS for a CIL project by the end of the 2016 calendar year. The Company will report the results of the DFS in late January 2017.

Tanlouka Gold Project Timeline												
	2016				2017				2018			
Work Program	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Drilling &amp; Resource Work</b>												
M1 deposit				•								
M3 deposit				•								
M5 deposit				•								
Resource Estimation				•								
<b>Definitive Feasibility Study</b>												
Metallurgical Test work				•								
Engineering, Layout and Design				•								
Permit Approvals			•	•								
FS Reporting					•							
<b>Project Financing</b>							•					
<b>Early works – camp, water storage</b>							•					
<b>Project Construction</b>												•
<b>Gold production</b>												•

**Corporate***Placement*

In August, West African raised A\$21 million through the placement of 70 million shares at a price of A\$0.30 per share ("Placement"). The placement allowed for the early repayment of a US\$5 million debt facility with Macquarie Bank and provided West African with the capacity to accelerate exploration and resource drilling at Tanlouka, as well as complete a Definitive Feasibility Study for the project.

In addition, the proceeds will be used to commence early civil works, in readiness for development of the project. This work includes the construction of a camp facility, ablutions and water storage facility amongst other items. Hartleys Limited was Lead Broker to the placement, with Clarus Securities Inc. acting as Co-Manager.



*Repayment of Macquarie facility*

West African repaid a US\$5m loan facility to the Metals & Energy Capital Division of Macquarie Bank Limited (Macquarie) ahead of its maturity date on 30 September 2016, following the completion of the A\$21 million capital raising in August.

*Notice of AGM*

As announced on 5 October 2016, West African will hold its 2016 Annual General Meeting on 18 November 2016 at 2.30pm (WA time) at the Scarborough Sportsman's Club, 75 Deanmore Road, Scarborough, WA.

*Options Expiry*

During the quarter, West African advised that 31,250 options with the code WFAZ exercisable at \$1.25 were due to expire on 2 October 2016.

**Other Projects**

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

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

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Summary of Tenements in Burkina Faso at 30 September 2016								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
<b>Damongto</b>	West African Resources Ltd SARL	100%	No 2015 000-192/MME/SG/DGCM	3/07/15	01/03/18	EL	36	Namentenga Province
<b>Goudré</b>	West African Resources Ltd SARL	100%	No 2015 000-193/MME/SG/DGCM	3/07/15	23/03/18	EL	250	Zounweogo Province
<b>Manesse<sup>(3)</sup></b>	Tanlouka SARL		Under Application					Ganzourgou Province
<b>Sartenga</b>	West African Resources Development SARL	100%	No 2015 000074/MME/SG/DGMG	15/10/14	4/08/17	EL	130.7	Namentenga Province
<b>Sondo Sud</b>	West African Resources Development SARL	100%	No 2015 000-154/MME/SG/DGCM	5/06/15	01/12/18	EL	18.3	Gnagna, Kouritenga Provinces
<b>Toghin</b>	Wura Resources Pty Ltd SARL	100%	No 2016 16-140/MEMC/SG/DGCMIM	19/08/16	17/07/17	EL	222	Ganzourgou, Oubritenga Provinces
<b>Vedaga</b>	West African Resources Exploration SARL	100%	No 2016 16-139/MEMC/SG/DGCMIM	19/08/16	17/07/17	EL	207.7	Gourma, Kouritenga Provinces
<b>Zam<sup>(2)</sup></b>	Wura Resources Pty Ltd SARL	100%	No 2012 12-205/MCE/SG/DGMGC	27/09/12	30/12/14	EL	247.7	Zounweogo Province
<b>Zam Sud</b>	West African Resources Ltd SARL	100%	No 2015 000194/MCE/SG/DGMGC	1/03/15	1/03/18	EL	23.46	Ganzourgou Province
<b>Tanlouka<sup>(1)</sup></b>	SOMISA S.A.	90%	No 2015-118/REG/OCT/PEI/DGCM			MLA	26	Ganzourgou Province
<p>(1) The company has lodged a mining license application for this permit.</p> <p>(2) Application under review by MoM</p> <p>(3) The company has lodged an application for an exploration license over the residual area of the previous Tanlouka permit.</p>								

### **Competent Persons and Qualified Persons Statement**

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

Information in this announcement that relates to mineral resources is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, an independent consultant specialising in mineral resource estimation, evaluation and exploration and a consultant with International Resource Solutions Pty Ltd. 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 is independent of West African for purposes of NI 43-101. Mr. Wolfe has verified the data underlying the mineral resource estimation. Mr Wolfe has reviewed the contents of this news release, and approves and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

### **Forward Looking Information**

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

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without

limitation: exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding; gold price fluctuations; recent market events and conditions; risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licenses and permits; risks related to their business being subject to environmental laws and regulations; risks related to their mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to their directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect West African's forward-looking information. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information.

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

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