

## ACQUISITION OF 6.8Moz KIAKA GOLD PROJECT COMPLETED

*West African Resources aims to be a +400,000ozpa gold producer by 2025*

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- Closing has occurred under the SPAs to acquire a 90% interest in the Kiaka Gold Project ('Kiaka')
  - Closing has occurred under the SPAs to acquire a 100% interest in the Nakomgo exploration permit that holds the Toega Gold Project ('Toega')
  - All closing consideration amounts have been paid with only a US\$45 million promissory note to B2Gold remaining to be paid along with future capped production payments under the Kiaka and Toega royalty agreements
  - Taurus debt facility has been fully repaid, and buy back of the gold offtake completed
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Unhedged gold mining company West African Resources Limited (ASX : **WAF, West African** or **Company**) is pleased to announce that further to the investor presentation and announcement released on 26 October 2021, closing has occurred under the share purchase agreements ('SPAs') for the acquisition of:

- 90% of the Kiaka Gold Project ('Kiaka') from B2Gold Corp ('B2Gold') and their partner, GAMS-Mining F&I Ltd ('GAMS'), with the remaining 10% held by the State of Burkina Faso; and
- 100% interest in Kiaka Gold SARL, an exploration company incorporated in Burkina Faso that holds the Nakomgo Exploration Permit on which the Toega Project is located.

Closing consideration has been delivered as follows:

- US\$37.5 million cash consideration has been paid (US\$31.5m to B2Gold and US\$6m to GAMS);
- US\$27.5 million in WAF ordinary fully paid shares have been issued (22,190,508 to B2Gold and 4,931,224 to GAMS);
- US\$45 million promissory note has been issued to B2Gold for payment in cash or WAF shares (subject to shareholder approval), at the election of B2Gold; and
- Executed copies of royalty agreements have been provided to B2Gold and GAMS for capped royalties payable on gold production from Kiaka and Toega.

Further background on the transaction along with details of the terms and conditions of the promissory note and royalty agreements are contained in the announcement released on 26 October 2021.

**West African Executive Chairman and CEO Richard Hyde commented:**

*"We are pleased to close the Kiaka and Toega transactions and welcome both B2Gold and GAMS as West African shareholders.*

*During the closing period West African repaid the Taurus debt facility in full and elected to buy back the gold offtake agreement, which was associated with the funding package for the construction of Sanbrado.*

*West African is now unhedged with no senior secured debt, has resources totalling 11.9 million ounces of gold and aims to be a +400,000ozpa gold producer by 2025."*

WAF has commenced an updated feasibility study leveraging off the extensive work already completed by B2Gold, targeting process throughput of 6-8Mtpa. Commencement of work programs focussing on updating the ESIA and RAP are also imminent.

WAF plans to commence early works in Q1 2022; including upgrading site access roads, construction of camp facilities and construction of community projects. WAF intends to redeploy its feasibility and development team of staff and consultants that recently delivered the Sanbrado gold project some 6 months ahead of schedule and US\$20m under budget.

Updated feasibility work is expected to be completed by mid-2022 with major construction works commencing in mid 2022. The full build of a 6-8Mtpa throughput operation and associated infrastructure is expected to take 30 months from mid 2022, leading the project pouring first gold in late 2024.

An Appendix 2A for the application for quotation of the consideration shares, a cleansing statement and an Appendix 3G for the issue of the Deferred Consideration Note will follow this announcement.

#### **Taurus facility extinguished**

Utilising existing cash and funds from the Placement WAF has fully repaid the Taurus debt facility and fully settled the Taurus gold offtake fee arrangement, which were part of the 2019 funding package for the construction of Sanbrado. WAF has no remaining indebtedness to Taurus.

This announcement was authorised for release by Mr Richard Hyde, Executive Chairman and CEO.

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

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

Richard Hyde  
Executive Chairman and CEO  
Ph: 08 9481 7344  
Email: [info@westafricanresources.com](mailto:info@westafricanresources.com)

Nathan Ryan  
Investor Relations  
Ph: 0420 582 887

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