



WEST AFRICAN
RESOURCES LIMITED

ABN: 70 121 539 375

Notice of Extraordinary General Meeting

Date: Tuesday, 1 February 2022
Time: 10:00am (AWST)
Place: Vibe Hotel Subiaco,
Level 9, 9 Alvan Street, Subiaco, Western Australia, 6008

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (AWST) on 30 January 2022.

AGENDA

Resolution 1 – Ratification of issue of Shares under Tranche 1 Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 101,000,000 Shares (at an issue price of \$1.25 each) on or about 4 November 2021 to sophisticated and professional investors under Tranche 1 of the Placement as set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Ratification of issue of Shares under the Kiaka Agreement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,190,508 Shares on Closing to B2Gold Corp as consideration under the Kiaka Agreement as set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Ratification of issue of Shares under the GAMS Agreement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,931,224 Shares on Closing to GAMS-Mining F&I Ltd as consideration under the GAMS Agreement as set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Issue of Shares to Director Mr Rod Leonard under Tranche 2 Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 80,000 Shares at an issue price of \$1.25 per Share to Director Mr Rod Leonard, under the Tranche 2 Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Issue of Shares to Director Mr Nigel Spicer under Tranche 2 Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 16,000 Shares at an issue price of \$1.25 per Share to Director Mr Nigel Spicer, under the Tranche 2 Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 6 – Issue of Shares to Director Mr Stewart Findlay under Tranche 2 Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 16,000 Shares at an issue price of \$1.25 per Share to Director Mr Stewart Findlay, under the Tranche 2 Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 7 – Proposed Issue of Shares to B2Gold on conversion of convertible note

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of Shares to B2Gold for a total value of USD45,000,000, with the number of Shares to be calculated using the 5 trading day VWAP immediately before the Deferred Consideration Payment Date, on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Other Business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



PADRAIG O'DONOGHUE
CFO & Company Secretary

Dated: 22 December 2021

VOTING

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form or has otherwise been provided to you and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company;
- the proxy can be either an individual or a body corporate; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- 1 if proxy holders vote, they must cast all directed proxies as directed;
- 2 if proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority;
- 3 should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit;
- 4 any directed proxies which are not voted or who do not nominate the identity of their proxy, will automatically default to the Chair, who must vote the proxies as directed. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice; and
- 5 if a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

To be effective, proxies must be received by 10:00 am (AWST) on 30 January 2022. Proxies received after this time will be invalid.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a notarially certified

copy of the Power of Attorney, or the power itself, must be received by the Company at the address below, or by facsimile, and by 10:00 am (AWST) on 30 January 2022.

Proxies may be lodged using any of the following methods:

By internet:

Log on to www.investorvote.com.au

If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com

By post:

Computershare Investor Services Pty Limited,
GPO Box 242,
Melbourne Victoria 3001 Australia

By fax:

(within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. Attendees are asked to arrive 10 minutes beforehand in order to register their attendance.

COVID-19 MEETING PROTOCOLS

The Company is closely monitoring the impact of the COVID-19 virus in Western Australia and is seeking to follow guidance from the Federal and State Governments. The Company advises that Shareholders will be able to attend the Meeting in person, and the Company will comply with the Government's requirements in relation to gatherings of persons during the current COVID-19 situation.

The Australian and West Australian governments are implementing a range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice of Meeting, the Company will notify Shareholders accordingly via the Company's ASX announcement platform at asx.com.au (ASX: WAF). Any Shareholders who plan to physically attend the Meeting should closely monitor these platforms for any updates by the Company in regard to attending the Meeting in person and alternative arrangements.

Should you have any questions regarding this Notice of Meeting please send an email to info@westafricanresources.com or contact the Company Secretary on +61 8 9481 7355.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 BACKGROUND

On 26 October 2021, the Company announced that it had entered into binding agreements to acquire 90% of the Kiaka gold project located in Burkina Faso (**Kiaka Project**) from B2Gold (**Kiaka Agreement**) and their partner, GAMS-Mining F&I Ltd (**GAMS Agreement**).

Under the terms of the Kiaka Agreement, WAF agreed to pay the following consideration to B2Gold:

- (a) a cash payment of USD450,000 payable on execution;
- (b) USD45,000,000 payable on Closing, comprised of 50% cash and 50% in WAF ordinary fully paid shares (**Kiaka Consideration Shares**);
- (c) USD45,000,000 in deferred consideration (**Deferred Consideration**); and
- (d) a 2.7% net smelter return (**NSR**) royalty interest on the first 2,500,000 ounces of gold produced at the Kiaka Project, and a 0.45% NSR royalty interest on the next 1,500,000 ounces of gold produced at the Kiaka Project.

The Deferred Consideration is a promissory note for payment of USD45,000,000 to B2Gold on the Deferred Consideration Payment Date in cash or Shares at the election of B2Gold (**Deferred Consideration Note**). To the extent that B2Gold elects Shares, the issue of Shares is subject to the grant of Shareholder approval under Listing Rule 7.1, otherwise the deferred consideration defaults to a cash payment.

The Deferred Consideration note is secured against the 81% interest in Kiaka SA that WAF is purchasing from B2Gold (**B2Gold Interest**) and contains standard events of default with specified cure periods. Failure to cure allows acceleration of principal and 5% interest from the date of initial transaction closing then applies. If principal (with interest where applicable) is not paid when due – that is by the due date specified or by any earlier due date if there is acceleration – then B2Gold is entitled to require return of the B2Gold Interest to it in settlement of the Deferred Consideration without any repayment of consideration already paid to B2Gold.

The **Deferred Consideration Payment Date** is the earlier of the following dates:

- *Date A*: the date WAF elects to prepay the Deferred Consideration;
- *Date B*: 10 business days following notification of a positive feasibility study for the Kiaka Project;
- *Date C*: the date of commencement of construction of the Kiaka Project, subject to there being a minimum period of 6 months from Closing;
- *Date D*: following an event of default under the Deferred Consideration Note, the date B2Gold declares the entire unpaid principal balance with accrued interest payable; and
- *Date E*: 25 October 2022.

The closing is subject to certain customary conditions.

Under the terms of the GAMS Agreement, WAF will pay the following consideration to GAMS:

- (a) a cash payment of USD50,000 payable on execution;
- (b) USD10,000,000 payable on Closing, comprised of 50% cash and 50% in Shares (**GAMS Consideration Shares**); and
- (c) a 0.3% NSR royalty interest on the first 2,500,000 ounces of gold produced at the Kiaka Project, and a 0.05% NSR royalty interest on the next 1,500,000 ounces of gold produced at the Kiaka Project.

The number of Kiaka Consideration Shares and GAMS Consideration Shares is calculated as follows:

$$CS = \frac{A}{B}$$

where:

- CS = the Kiaka Consideration Shares and GAMS Consideration Shares (as applicable) to be issued.
- A = the amount to be satisfied by the issue of the Kiaka Consideration Shares and GAMS Consideration Shares (as applicable) divided by the exchange rate which is the mid-rate that appears on the Bloomberg Screen "AUDUSD" on or about 11:00am Sydney time on the day.
- B = the volume weighted average price of WAF Shares over the five trading days before the date of execution of the Kiaka Agreement or the GAMS Agreement (as applicable), both being 25 October 2021.

The volume weighted average price of Shares over the five trading days under B above was calculated at a deemed price per Share of \$1.35754053.

Finally, WAF has entered into a binding restated agreement with B2Gold and GAMS (**Amended Toega Agreement**) pursuant to which it has agreed to purchase B2Gold's 100% legal and 90% beneficial interest in Kiaka Gold SARL (**Kiaka Gold**), the holder of the Toega gold project located in Burkina Faso (**Toega Project**) and GAMS' 10% beneficial interest in Kiaka Gold. The Amended Toega Agreement replaces the original transaction which was structured as a sale of assets comprising the Toega Project.

The consideration payable under the Amended Toega Agreement is substantially the same as would have been remaining under the original Toega purchase agreement as follows:

- USD10,000,000 on the closing date; and
- an NSR royalty in respect of the first 1.5 million payable gold ounces produced from the Nakomgo exploration permit area on which the Toega Project is located as follows:
 - a 3% NSR royalty to a value of USD25,000,000; and
 - thereafter a 0.5% NSR.

The Company also announced on 26 October 2021 that it was undertaking a placement of up to 101,112,000 Shares at an issue price of \$1.25 per Share (**Placement**) in two tranches:

- (a) the first tranche of the Placement (**Tranche 1 Placement**) comprised a total of 101,000,000 Shares which were issued on 4 November 2021, using the Company's capacity under Listing Rule 7.1; and
- (b) the second tranche of the Placement (**Tranche 2 Placement**) comprised a total of up to 112,000 Shares to be issued subject to the Company obtaining Shareholder approval under Listing Rule 10.11.

The Company's Directors, Messrs Rod Leonard, Nigel Spicer and Stewart Findlay also intend to subscribe for Shares on the same terms as the Shares issued under the Tranche 1 Placement.

The Company has used the funds raised under the Placement to fund:

- (a) the closing cash component of the Kiaka Project acquisition consideration;
- (b) the closing cash payment of the Toega acquisition consideration; and
- (c) repayment of the syndicated finance facility with Taurus Mining Finance Fund L.P.

The Company intends to use the remaining funds for:

- (a) exploration programs; and
- (b) general working capital purposes including cost of the transaction.

2 Resolution 1 – Ratification of issue of Shares under Tranche 1 Placement

As noted above, on 4 November 2021, the Company issued 101,000,000 Shares under Tranche 1 Placement at an issue price of \$1.25 per Share to raise \$126.25 million.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Shares pursuant to Tranche 1 Placement does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company issued Shares pursuant to the Tranche 1 Placement.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of Shares pursuant to the Tranche 1 Placement under and for the purposes of Listing Rule 7.4.

If this Resolution is passed, the Shares pursuant to the Tranche 1 Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued Shares pursuant to the Tranche 1 Placement.

If this Resolution is not passed, the Shares pursuant to the Tranche 1 Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company issued Shares pursuant to the Tranche 1 Placement.

The following information in relation to the Shares, the subject of the Tranche 1 Placement is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the Shares were issued to sophisticated and professional investors qualifying under s 708 of the Corporations Act, all of who are unrelated parties of the Company. The placees were selected following a bookbuild process by Euroz Hartleys Limited and Sprott Capital Partners L.P., the Company's joint lead managers in relation to the Placement. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that, other than L1 Capital Pty Ltd (a substantial holder of the Company who was issued 12,800,000 Shares under the Tranche 1 Placement, being more than 1% of the issued capital of the Company), no related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an Associate of any of these parties was issued more than 1% of the issued capital of the Company;
- (b) 101,000,000 Shares were issued;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued on 4 November 2021;
- (e) the Shares were issued at an issue price of \$1.25 each;
- (f) the Shares were issued for the purposes set out above in section 1 of this Explanatory Memorandum;
- (g) a summary of the material terms of the Tranche 1 Placement pursuant to which the Shares were issued is set out above in section 1 of this Explanatory Memorandum; and
- (h) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

2.1 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 1.

2.2 Recommendation of the Board

The Board recommends that Shareholders vote in favour of Resolution 1.

3 RESOLUTIONS 2 AND 3 – RATIFICATION OF THE ISSUE OF SHARES UNDER THE KIAKA AGREEMENT AND THE GAMS AGREEMENT

As set out in section 1 above, under the Kiaka Agreement 22,190,508 Shares have been issued to B2Gold (**Kiaka Consideration Shares**) and 4,931,224 Shares have been issued to GAMS under the GAMS Agreement (**GAMS Consideration Shares**) (**Acquisitions**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Acquisitions do not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date the Company issued the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions.

Listing Rule 7.4 allows the shareholders of a company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and therefore seeks Shareholder approval to ratify the issue of the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions under and for the purposes of Listing Rule 7.4.

If the Resolutions are passed, the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions.

If the Resolutions are not passed, the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date the Company issued the Kiaka Consideration Shares and the GAMS Consideration Shares pursuant to the Acquisitions.

The following information in relation to the Kiaka Consideration Shares and the GAMS Consideration Shares the subject of the Acquisitions is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the Kiaka Consideration Shares and GAMS Consideration Shares were issued to B2Gold and GAMS respectively, both of whom are unrelated parties of the Company;
- (b) the Company has issued the following:
 - (i) In relation to Resolution 2 – 22,190,508 Kiaka Consideration Shares; and
 - (ii) In relation to Resolution 3 – 4,931,224 GAMS Consideration Shares;
- (c) the Kiaka Consideration Shares and the GAMS Consideration Shares were issued at a deemed issue price of \$1.35754053 and were fully paid ordinary Shares in the capital of the Company which rank equally in all respects with the existing fully paid ordinary Shares on issue;

- (d) the Kiaka Consideration Shares and the GAMS Consideration Shares were issued on Closing;
- (e) the Kiaka Consideration Shares and GAMS Consideration Shares were issued as consideration under the Kiaka Agreement and GAMS Agreement respectively as set out above in section 1 of this Explanatory Memorandum;
- (f) a summary of the material terms of the Kiaka Agreement and GAMS Agreement is set out above in section 1 of this Explanatory Memorandum; and
- (g) a voting exclusion applies in respect of the Resolutions as set out in the Notice of Meeting.

3.1 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolutions 2 and 3.

3.2 Recommendation of the Board

The Board recommends that Shareholders vote in favour of Resolutions 2 and 3.

4 RESOLUTIONS 4, 5 AND 6 – ISSUE OF SHARES TO DIRECTORS MESSRS ROD LEONARD, NIGEL SPICER AND STEWART FINDLAY UNDER TRANCHE 2 PLACEMENT

As announced on 26 October 2021, the Company intends to undertake the Tranche 2 Placement to the Directors as set out in Resolutions 4, 5 and 6.

4.1 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Messrs Rod Leonard, Nigel Spicer and Stewart Findlay are Related Parties of the Company. Resolutions 4, 5 and 6 relate to a proposed issue of Shares to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay, which is a financial benefit of the kind that may require Shareholder approval for the purposes of section 208 of the Corporations Act.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the issue of the Tranche 2 Placement Shares is considered to be on arm's length terms given that Messrs Rod Leonard, Nigel Spencer and Stewart Findlay will be subscribing for Shares at the same price and under the same terms and conditions as those issued under the Tranche 1 Placement and therefore the exception in section 210 of the Corporations Act applies.

4.2 Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company must not issue or agree to issue equity securities to:

- a related party (Listing Rule 10.11.1);

- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a Director to the Board pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

The proposed issue of Shares to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay pursuant to the Tranche 2 Placement falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4, 5 and 6 seek Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to allow Messrs Rod Leonard, Nigel Spicer and Stewart Findlay to participate in the proposed Tranche 2 Placement by permitting them to subscribe for up to 112,000 Shares. The Directors' participation will be on exactly the same terms as the Tranche 1 Placement.

If Resolutions 4, 5 and 6 are passed, the Company will be able to proceed with the issue of Shares to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay and the Company will raise up to \$140,000 from the issue of Shares.

The maximum impact of passing Resolutions 4, 5 and 6 on Messrs Rod Leonard, Nigel Spicer and Stewart Findlay's voting power in the Company, assuming that Mr Leonard is issued 80,000 Shares, and Messrs Spicer and Stewart are issued 16,000 shares each, is set out in the following table:

Director	Number of Shares	Number of Options / Performance Rights	Percentage voting power in the Company on an undiluted basis (Total issued share capital of the Company is 1,020,773,845)	Percentage voting power in the Company on a fully diluted basis
Mr Rod Leonard	172,911	22,277	0.0169%	0.0189%
Mr Nigel Spicer	100,911	22,277	0.0099%	0.0119%
Mr Stewart Findlay	16,000	50,863	0.0016%	0.0065%

If Resolutions 4, 5 and 6 are not passed, the Company will not be able to proceed with the issue of Shares to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay, and the Company will not proceed with the Tranche 2 Placement and will not receive up to \$140,000 in application funds.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Shares will be issued to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay as follows;
- Mr Rod Leonard – up to 80,000 Shares at \$1.25 per Share for a total amount of up to \$100,000;
 - Mr Nigel Spicer – up to 16,000 Shares at \$1.25 per Share for a total amount of up to \$20,000; and
 - Mr Stewart Findlay – up to 16,000 Shares at \$1.25 per Share for a total amount of up to \$20,000;
- (b) Messrs Rod Leonard, Nigel Spicer and Stewart Findlay are Directors of the Company and are each a Listing Rule 10.11.1 party;

- (c) the securities to be issued under Resolutions 4, 5 and 6 are fully paid ordinary shares in the Company;
- (d) the Shares will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (e) the Shares will be issued at an issue price of \$1.25 per Share;
- (f) the Shares are being issued to allow the Directors to participate in the Tranche 2 Placement on the same terms and conditions as the Tranche 1 Placement and a total of up to \$140,000 will be raised by the issue of up to 112,0000 Shares. The funds raised are intended to be used for the purposes described in section 1 of this Explanatory Memorandum;
- (g) a summary of the material terms on which the Shares are proposed to be issued to Messrs Rod Leonard, Nigel Spicer and Stewart Findlay is set out in section 1 of this Explanatory Memorandum; and
- (h) a voting exclusion statement applies to each of Resolutions 4, 5 and 6 as set out in the Notice of Meeting.

If approval is given for the grant of the Shares under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

4.3 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions 4, 5 and 6.

4.4 Recommendation of the Board

The Board (excluding Messrs Rod Leonard, Nigel Spicer and Stewart Findlay regarding each of their respective Resolutions) recommends that Shareholders vote in favour of Resolutions 4, 5 and 6.

5 Resolution 7 – Proposed Issue of Shares to B2Gold on conversion of convertible note

As noted above, one component of the Kiaka Agreement consideration comprises deferred consideration of USD45,000,000 payable by delivery of a convertible note.

B2Gold may elect to take the deferred consideration in cash. To the extent B2Gold elects to take the deferred consideration wholly or partly in Shares, this will be subject to Shareholders' approval under Listing Rule 7.1 (otherwise the deferred consideration will default to cash). Subject to this approval condition, the number of Shares to be issued will be based on the 5 trading day VWAP of Shares immediately before (as applicable in the case of each of the possible Deferred Consideration Payment Dates noted above in section 1 of this Explanatory Memorandum):

- (i) Date A: the date of the prepayment election notice;
- (ii) Date B: the date of the positive feasibility study notice;
- (iii) Date C: 10 business days before the date that is 6 months from Closing;
- (iv) Date D: the event of default date; or
- (v) Date E: 25 October 2022.

There is a mechanism for extension of time for the issue of shares after the Deferred Consideration Payment Date if shareholder approval has not been sought (or has expired) prior to exercise.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of Shares pursuant to the conversion of convertible notes did not take up capacity on agreement and does not fall within any of the exceptions set out in Listing Rule 7.2. It therefore requires the approval of the Shareholders under Listing Rule 7.1.

Resolution 7 seeks the required Shareholder approval for the proposed issue of Shares under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed:

- B2Gold may elect to take the Deferred Consideration wholly or partly in Shares, as contemplated in the Kiaka Agreement; and
- the maximum number of Shares that may be issued on the conversion of the convertible note cannot be exactly determined as conversion will depend on the various dates as described in section 1 above on a 5 day VWAP basis before the applicable Deferred Consideration Payment Date. The issue could be highly dilutive to existing security holders if the market price of the underlying securities falls substantially over the period from this Notice to when the convertible note is converted into shares.

In addition, the Shares issued pursuant to the conversion of the convertible note will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to issue Shares on the conversion of the convertible note and the Deferred Consideration will default to a cash payment.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- the Shares will be issued to B2Gold;
- the Company will issue Shares on conversion of the convertible note calculated on a 5 day VWAP basis before the applicable Deferred Consideration Payment Date;

- the following table assumes that the full amount under the convertible note is elected to be converted into Shares and provides example of the number of Shares that would be issued at various share price assumptions and assuming an AUD/USD exchange rate of 0.72:

ASSUMPTION	SHARE PRICE	NO OF SHARES (assuming an AUD/USD exchange rate of 0.72)
Closing market price on 10 December 2021	\$1.39	44,964,028
Twice the closing market price on 10 December 2021	\$2.78	22,482,014
Half the closing market price on 10 December 2021	\$0.70	89,928,057

- as at the date of this Explanatory Memorandum, the total number of Shares on issue in the Company is 1,020,773,845 Shares;
- the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- the Shares will be issued no later than 3 months after the date of the Meeting. It is highly likely that any Shares to be issued under this resolution may be issued 3 months after the date of the Meeting, and in such circumstances the Company intends to seek further shareholder approval for the issue of securities to B2Gold on the conversion of the convertible note;
- no funds will be raised on the issue of the securities on conversion of the convertible note as the convertible note forms part of the consideration under the Kiaka Agreement;
- the material terms of the Kiaka Agreement are set out above in section 1 of this Explanatory Memorandum; and
- a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

5.1 Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on Resolution 7.

5.2 Recommendation of the Board

The Board recommends that Shareholders vote in favour of Resolution 7.

6 GLOSSARY

Other defined terms have the meaning given to them in the Explanatory Memorandum.

\$ means Australian dollars, being the lawful currency of Australia.

Accounting Standards has the meaning given to that term in the Corporations Act.

Acquisitions has the meaning set out on page 9.

Amended Toega Agreement has the meaning set out on page 7.

Associate has the meaning given to that term in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

B2Gold means B2Gold Corp.

B2Gold Interest has the meaning set out on page 6.

Board means the Directors.

Chair means the person appointed to chair the Meeting.

Closing means completion under the Kiaka Agreement or GAMS Agreement as relevant, both being 30 November 2021.

Company or WAF means West African Resources Limited ABN 70 121 539 375.

Corporations Act means the *Corporations Act 2001* (Cth).

Deferred Consideration has the meaning set out on page 6.

Deferred Consideration Payment Date has the meaning set out on page 6.

Director means a current director of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Equity Securities includes a Share, a right to a Share, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

GAMS means GAMS-Mining F&I Ltd.

GAMS Agreement has the meaning set out on page 6.

GAMS Consideration Shares meaning set out on page 6.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Kiaka Agreement has the meaning set out on page 6.

Kiaka Consideration Shares meaning set out on page 6.

Kiaka Project has the meaning set out on page 6.

Kiaka SA means the Burkina Faso company that holds the licence in Burkina Faso on which the Kiaka Project is located.

Meeting means the extraordinary general meeting of Shareholders convened by the Notice of Meeting and to which this Notice of Meeting relates.

Notice of Meeting or **Notice** means this notice of extraordinary general meeting including the Explanatory Memorandum.

Option means an option to acquire a Share.

Placement has the meaning set out on page 7.

Proxy Form means the proxy form accompanying this Notice.

Related Party has the meaning given to that term in section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Toega Project has the meaning set out on page 7.

Tranche 1 Placement has the meaning set out on page 7.

Tranche 2 Placement has the meaning set out on page 7.

AWST means Western Standard Time as observed in Perth, Western Australia.

USD means United States dollars, the lawful currency of the US.

VWAP means volume weighted average trading price of WAF fully paid ordinary shares on ASX.