



## Press Release

31 January 2017

### DECEMBER 2016 QUARTERLY REPORT

West African Resources Limited (ASX, TSX-V: WAF) is pleased to report activities on its 100%-owned gold and copper-gold projects in Burkina Faso, West Africa, for the quarter ending 31 December 2016.

#### Highlights

##### **Sanbrado Gold Project (formerly Tanlouka Gold Project)**

###### *Mining Permit Approved*

- ✓ Burkina Faso Government's Council of Ministers approves WAF's mining permit application for the Sanbrado Gold Project (post quarter end)
- ✓ Environmental and Social Impact Assessment receives government approval
- ✓ Definitive Feasibility Study on track for delivery in Q1 2017
- ✓ Construction to begin in late 2017

###### *M1 South*

- ✓ Further high-grade results received from M1 South including:
  - 5m at 30.28 g/t Au and 14m at 11.82 g/t Au from 216m
  - 14m at 11.82 g/t Au from 224m, including 1m at 131.80 g/t Au
  - 9m at 93.55 g/t Au from 183m including 2m at 282.61g/t Au, confirming the high-grade tenor of the southernmost high-grade shoot at M1
  - 11m at 7.43 g/t Au from 279m and 10m at 4.93 g/t Au from 293m, representing discovery of a new zone of deeper mineralisation at M1

###### *Drilling Completed for Feasibility Study resource update*

- ✓ Results from M1, M3 and M5 will update existing estimates, due for completion in Q1 2017
- ✓ Mineralisation discovered during the quarter to be included in estimate.

###### *Key Management Appointments*

- ✓ Lyndon Hopkins appointed Chief Operating Officer
- ✓ Joanne Thompson appointed Sustainability Manager.

##### **Corporate**

- ✓ \$18.5m cash at bank and no debt at 31 December 2016

##### **December 2016 Quarter Summary**

- ✓ 9,261m drilled
- ✓ \$2.71m Exploration and Development Expenditure
- ✓ \$0.6m Administration Costs

### **March 2017 Quarter Plans**

- ✓ Updated mineral resource estimate
- ✓ Release of Open Pit Definitive Feasibility Study for Sanbrado Gold Project
- ✓ Commencement of Underground Mining Study for M1 South

### **Sanbrado Gold Project (formerly Tanlouka Gold Project)**

#### *M1 Prospect*

Diamond drilling undertaken at the M1 South prospect aimed to extend mineralisation beneath the current resource using two multi-purpose contract rigs on a double shift along with WAF's own diamond rigs operating on a single shift. Drilling was completed on 25m by 50m grid along 350m strike. Hole TAN16-DD063 returned 5m at 30.28 g/t Au from 216m and 14m at 11.82 g/t Au from 216m and this hole was southeast and down plunge of TAN16-DD055 which returned 16m at 69.1g/t Au including 2m at 315.3g/t Au from 209m reported in October 2016.

Other significant results included:

- ✓ TAN16-DD063 5m at 30.28 g/t Au from 216m, including 1m at 104.95 g/t Au
- ✓ TAN16-DD063 14m at 11.82 g/t Au from 224m, including 1m at 131.80 g/t Au
- ✓ TAN16-DD066 2m at 17.85 g/t Au from 257m
- ✓ TAN16-DD077A 11m at 7.43 g/t Au from 279m and 10m at 4.93 g/t Au from 293m
- ✓ TAN16-DD086 9m at 93.55 g/t Au from 183m including 2m at 282.61g/t Au

In late December, WAF received full results of its shallow resource drilling program at M1. Drilling prior to the wet-season encountered difficulties with access due to open stopes and hummocks at surface, resulting in much of the near surface mineralisation and remnant mineralisation being drilled on an irregular wide spaced pattern. This resulted in much of the shallow portion of the August resource being classified as Inferred. These areas required extensive dozer work to be filled in and flattened, and subsequently tight spaced shallow RC drilling on 25m centres has now been completed. Many of the shallow RC holes encountered open stopes and backfill from surface, however significant results were also returned from remnant zones. Significant results from this drilling included:

- ✓ TAN16-RC236: 5m at 4.98 g/t Au from 47m
- ✓ TAN16-RC242: 23m at 1.86 g/t Au from 8m, including 8-16m open stopes and backfill
- ✓ TAN16-RC243: 7m at 0.85 g/t Au from 7m, including 3-13m open stopes and backfill, and 10m at 2.49 g/t Au from 19m and 6m at 1.62 g/t Au from 35m
- ✓ TAN16-RC247: 3m at 16.52 g/t Au from 32m
- ✓ TAN16-RC250: 7m at 2.57 g/t Au from 13m, including 24-25m open stope
- ✓ TAN16-RC263: 2m at 9.04 g/t Au from 13m and 1m at 16.09 g/t Au from 25m
- ✓ TAN16-RC266: 1m at 24.66 g/t Au from 19m, including 15-17m open stopes and backfill

#### *M5 Prospect*

An earlier drilling program at M5 aimed at improving the resource category had previously been suspended due to heavy rains as well as water ingress in some holes. However, during the quarter, WAF used its own rigs to extend these holes. Results included:

- ✓ TAN16-DD058 returned 22m at 2.0 g/t Au from 58m

- ✓ TAN16-RC189 ended in 5m at 4.12 g/t Au - extended by TAN16-DD059 returning 15.25m at 2.6g/t Au, overall intercept now 20.25m at 2.98 g/t Au
- ✓ TAN16-RC202 returned 81m at 1.12 g/t Au from 11m, including 8m at 3.72 g/t Au – extended by TAN16-DD064 and returned a further 7m at 0.78 g/t Au from 126m and 8m at 1.09 g/t Au from 136m
- ✓ TAN16-DD069 returned 11m at 2.82 g/t Au from 117m and 13m at 1.04 g/t Au from 161mTAN16-DD069 extended TAN16-RC203 which ended in 6m at 1.69 g/t Au from 105m
- ✓ TAN16-DD080 returned 15m at 1.25 g/t Au from 141m. TAN16-DD080 extended TAN16-RC206 which ended in 11m at 1.09 g/t Au from 126m.

These results will be included in the updated resource estimate to be announced in the March 2017 quarter.

### *M3 Prospect*

Further resource drilling was completed at M3, which aimed to upgrade shallow oxide mineralisation, currently all contained in the Inferred category, to Indicated category. Significant results for the RC drilling program include:

- ✓ TAN16-RC249: 5m at 5.0 g/t Au from 75m
- ✓ TAN16-RC255: 3m at 4.33 g/t Au from 22m
- ✓ TAN16-RC260: 11m at 2.1 g/t Au from 56m
- ✓ TAN16-RC261: 6m at 1.74 g/t Au from 7m and 10m at 5.04 g/t Au from 34m.

### **Permitting**

Subsequent to quarter-end in January, WAF announced the Burkina Faso Government's Council of Ministers had approved its 26km<sup>2</sup> mining permit application for the Sanbrado project. The project name changed to better reflect the local community.

Receipt of the mining permit followed the news in December that the Burkina Faso Ministry of the Environment, Green Economy and Climate Change had approved the Environmental and Social Impact Assessment ("ESIA") for the project.

The company was also granted the 90km<sup>2</sup> Manesse exploration licence, which in addition to the Sanbrado mining permit, covers the area covered by the previous Tanlouka exploration licence.

### **Feasibility Study**

The Sanbrado DFS is nearing completion and will be reported along with a NI 43-101 technical report in Q1 2017. Receipt of the mining permit in January will enable development of the Sanbrado Project to proceed on schedule. Construction activities are expected to begin in late 2017 following completion of project financing.

Results reported in WAF's ASX Announcement on 20 December 2016 represented the data cut-off point for current estimation studies for M1, M3 and M5 feeding into the DFS due for completion in Q1 2017. Resource estimation studies are significantly advanced and will be reported in Q1 2017 along with the DFS for Sanbrado. The timeline for reporting the resource update was pushed back from Q4 2016 to include further mineralisation discovered during the quarter.

### **Key Management Appointments**

WAF announced the appointment of Lyndon Hopkins as Chief Operating Officer and Joanne Thompson as Sustainability Manager in December.

Mr Hopkins is a geologist with more than 20 years' experience in gold exploration, development and production. Mr Hopkins was Chief Operating Officer of Equigold NL's Ivory Coast operations and managed the in-country aspects of project development and feasibility study for the Bonikro Gold Mine which commenced production in 2008. More recently, he was Mine Manager for the construction of Regis Resources Ltd's Rosemont Gold Mine. He has been involved with numerous gold operations in Australia and Africa, and has led the CIL Feasibility Study for the Sanbrado Project to date.

Ms. Thompson's experience includes Senior Closure and Reclamation Planner, Mine Operations Environmental Officer, and Environmental Officer positions with Newmont Mining in Australia and internationally. More recently, Ms. Thompson worked with leading international resource consultancy SRK in Denver, Colorado specialising in environment and community engagement in USA, Canada, Argentina, Colombia, Mexico and Republic of Congo. She will continue development of the Company's community engagement policies and programs, establish and implement environmental management systems (including compliance and monitoring), and manage the overall sustainability plan.

### **Corporate**

#### *Results of Meeting*

The resolutions tabled at the Company's Annual General Meeting of shareholders, held on 18 November 2016, were passed on a show of hands.

Resolutions put to the meeting were as follows:

- Resolution 1: Adoption of Remuneration Report (Non-Binding)
- Resolution 2: Re-election of Mr Mark Connelly as a Director
- Resolution 3: Ratification of Previous Share Issue - August 2016
- Resolution 4: Approval of Additional 10% Placement Facility
- Resolution 5: Re-election of Mr Richard Hyde as a Director
- Resolution 6: Re-election of Mr Simon Storm as a Director
- Resolution 7: Appointment of Auditor
- Resolution 8: Renewed Approval of Employee Share Option Plan

### **Other Projects**

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

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

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

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Summary of Tenements in Burkina Faso								
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	100%	N2017/014/MEMC/SG/DGCMIM Granted in January 2017	13/01/17	13/01/20	EL	90,35	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>Sanbrado</b>	Somisa SA (SOCIETE DES MINES DE SANBRADO SA)	0%	Granted in January 2017			ML	26	Ganzourgou Province

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

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

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

**Regulatory Disclaimer and Related Information**

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This announcement has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and Canadian National Instrument 43-101 (*Disclosure Standards for Mineral Projects*). The information relating to the historic Mankarga 5 Mineral Resource Estimate is extracted from Channel's NI43-101 report dated August 17, 2012 and is available to view on [www.westafricanresources.com](http://www.westafricanresources.com) and on profile of Channel Resources Ltd (now a subsidiary of the Company) on [www.sedar.com](http://www.sedar.com).

**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 the potential economic feasibility of a principal mineral project, 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 ability to secure additional funding, 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: gold price volatility, investor interest in financing of junior resource issuers, exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding on reasonable terms or any terms at all; financial market 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).