



West African Resources fully funded through to gold production at Sanbrado

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Gold developer West African Resources Limited (ASX, TSXV: WAF) (West African or the Company) is pleased to announce the following financing package for the development of its Sanbrado Gold Project in Burkina Faso (Sanbrado):

- Credit approved US\$200 million (A\$278 million¹) finance facility (the Debt Facility) with Taurus Funds Management Pty Ltd (Taurus). Key terms of the Debt Facility include competitive interest rates, no hedging requirement, early repayment flexibility and an ability to distribute and use free cash; provides West African with a highly flexible financing package.
- The Company is conducting a fully underwritten institutional placement to raise approximately A\$43.17 million (Placement). The Placement comprises a single tranche with the issue of 172.7 million new ordinary West African shares and is underwritten at a price of A\$0.25 per share (Offer Price).
- The Company is also conducting a non-underwritten Share Purchase Plan (SPP) to facilitate retail shareholder participation of up to A\$15,000 per eligible shareholder at the Offer Price, subject to an overall cap of A\$5.0 million (or 20.0 million shares) (the Placement and SPP together being the Offer).

Highlights

- ✓ **WAF fully funded through to gold production at Sanbrado**
- ✓ **Credit approved US\$200 million finance facility with Taurus Funds Management Pty Ltd**
- ✓ **Underwritten Placement for A\$43.17 million**
- ✓ **On track for first gold production at Sanbrado in September quarter 2020**

Managing Director Richard Hyde commented:

“We have worked for the past five months to get the best debt terms for shareholders. The award of the US\$200 million debt mandate to Taurus follows a thorough competitive process involving technical due diligence, site visits and detailed negotiations.”

“We have one of the best undeveloped gold projects globally, an experienced project build team and we now are now fully funded and looking forward to getting Sanbrado into production in the second half of 2020.”

¹ Assumes exchange rate of AUDUSD of 0.72

Debt Funding

WAF has mandated Taurus to provide a US\$200m secured project finance facility (the Debt Facility) to be used towards funding the development of Sanbrado. Taurus completed its technical and legal due diligence over the Project and has provided a committed offer for finance. Key terms of the Debt Facility are:

- Fixed interest rate of 7.75% per annum on drawn amounts, payable quarterly in arrears.
- Quarterly repayments commencing 30 June 2021, with final repayment 31 December 2024.
- Early repayment allowed at any time without penalty.
- No mandatory gold hedging required.
- First drawdown of the Debt Facility is expected to be available by the end of the first quarter 2019.
- The Company will enter into an offtake agreement for 1.25 million ounces of Sanbrado gold production, pursuant to which the Company will receive the prevailing spot price subject to an agreed quotation period. The Company retains a right to buy back the offtake at any time on agreed terms.
- Conditions precedent to drawdown include execution and delivery of the Debt Facility documents, lodging of security documents and other conditions customary for a facility of this nature.

The awarding of the debt mandate to Taurus follows a five month competitive selection process conducted by the Company's independent financial advisor, Orimco Pty Ltd. Fourteen proposals were received ranging from US\$124 million to US\$215 million from banks, debt funds and royalty companies.

Taurus is a privately-owned mining finance fund that provides project development and acquisition finance to emerging mining and metals companies. Taurus has significant mining finance experience in West Africa and has recently provided debt facilities for two other significant new gold projects in the region.

Equity Funding

Underwritten Placement

The Placement to eligible sophisticated, professional and other institutional investors to raise approximately A\$43.17 million will be conducted via a bookbuild today in Australia and selected international jurisdictions. The Offer Price is underwritten at A\$0.25 per share.

The Offer Price represents a:

- 15.3% discount to the closing price of A\$0.2950 per share on , Monday, 3 December 2018 being the last trading day prior to announcement of the Placement;
- 14.0% discount to the 5 day VWAP of A\$0.2906 per share, up to 3 December 2018; and
- 14.3 % discount to the 10 day VWAP of A\$0.2918 per share, up to 3 December 2018.

The Placement will be undertaken in a single tranche of 172.7 million new shares to raise approximately A\$43.17 million under West African's existing 25% placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. The new shares will rank equally with existing West African shares.

As WAF has a secondary listing on the TSX-Venture Exchange (the TSX-V), the completion of the Placement will be conditional upon the approval of the TSX-V, which the Company anticipates to receive shortly.

Euroz Securities Limited and Sprott Capital Partners, a division of Sprott Private Wealth LP, together are the Joint Lead Managers, Underwriters and Bookrunners to the Placement.

SPP

The SPP will be open to West African shareholders as at 5pm (AEDT) on the record date of Tuesday, 4 December 2018, and whose registered address is in Australia or New Zealand (Eligible Holders). Eligible Holders will be invited to invest up to a maximum of A\$15,000 per shareholder in the SPP, subject to an overall cap of A\$5.0 million.

The issue price under the SPP will be the same as the Offer Price. No brokerage will be payable by subscribing shareholders. Further details on the SPP will be distributed to Eligible Holders shortly and released on the ASX.

Use of Proceeds

The gross proceeds raised under the Equity Raising and the Debt Facility will be used to fund:

- Sanbrado development costs;
- Pre-production mining costs;
- Project financing costs including interest, charges and Offer costs;
- Burkina Faso taxes associated with Project construction ;
- Exploration; and
- Corporate costs including working capital.

Indicative Equity Raising Timetable*Placement*

Event	Indicative Date
ASX and TSX-V trading halt	Tuesday, 4 and Wednesday 5, December 2018
Shares re-commence trading	Thursday, 6 December 2018
Settlement of Placement Shares	Thursday, 13 December 2018
Expected trading of Placement Shares	Friday, 14 December 2018

SPP

Event	Indicative Date
SPP Record Date	Tuesday, 4 December 2018
Opening Date of SPP	Friday, 14 December 2018
Closing Date of SPP	Friday, 25 January 2019
Allotment Date of SPP Shares	Tuesday, 29 January 2019

The above timetable is indicative only and subject to change. The Company reserves the right to amend any and all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws, including securities laws.

About West African

West African recently announced the results of its updated Feasibility Study for the Sanbrado Gold Project in Burkina Faso. The study envisages an initial 11-year mine life, including 4.5 years of underground mining, and showed a 76% increase in Probable Reserves to 1.6 million ounces (20.4Mt at 2.4g/t gold). The project will have average annual production over the first 5 years of mine life of 211,000 ounces gold and a 16 month post-tax pay back on US\$185 million pre-production capital costs. Project economics are robust, with AISC of US\$551/oz over first 5 years and US\$640 over life of mine. The project returns a pre-tax NPV5% of US\$567m (A\$754m) and pre-tax IRR of 62%, and Post-tax NPV5% of US\$405m (A\$540m) and post-tax IRR of 49%. Mineralisation is open at depth and along strike and therefore value add drilling on the project is ongoing, with further resource and reserve updates expected later in Q1 2019. All technical information can be located on the Company's website www.westafricanresources.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 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.

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