



West African Resources announces successful A\$43.2m Placement

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Gold developer West African Resources Limited (ASX, TSXV: WAF) (West African or the Company) is pleased to announce the success of its fully underwritten share placement to raise A\$43.2 million which was announced on 5 December 2018 (Placement).

Highlights

- ✓ **West African fully funded through to gold production at the Sanbrado Gold Project (Sanbrado)**
- ✓ **Underwritten Placement for A\$43.2 million**
- ✓ **Strong support from existing and new institutional shareholders**
- ✓ **Non-underwritten Share Purchase Plan (SPP) of up to A\$5.0 million for West African's retail shareholders**
- ✓ **On track for first gold production at Sanbrado in the September quarter 2020**

Managing Director Richard Hyde commented:

"We welcome the support from new and existing institutional shareholders for the fully underwritten Placement. We also look forward to retail shareholders having the opportunity to participate in the SPP at the same price as the Placement. Together with the previously announced Taurus Debt Facility, the Placement will ensure West African is well funded to take Sanbrado through to production in the September quarter of 2020."

Placement and SPP

West African is pleased to announce the success of its fully underwritten Placement to raise A\$43.2 million, which was announced on 5 December 2018. The proceeds raised under the Placement, together with the Taurus Debt Facility will be used for:

- 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.

The Placement was conducted at a fixed price of A\$0.25 per new share, representing a 15.3% discount to the closing price of A\$0.295 per share on 3 December 2018, a 14.0% discount to the 5 day volume weighted average price (VWAP) and a 14.3% discount to the 10 day VWAP.

172.7 million new shares will be issued under the Placement, which will rank pari passu with existing West African shares. The Placement represents approximately 25% of the current number of ordinary shares on issue and is within West African's existing capacity under ASX Listing Rules 7.1 and 7.1A. Accordingly, no shareholder approval is required in connection with the Placement. Settlement of the Placement is expected to occur on 13 December 2018.

Further details can be found in the capital raising presentation lodged with ASX on 5 December 2018.

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. Macquarie Capital Markets Canada Ltd is acting as a Co-Manager to the Placement.

As previously announced, the SPP will be open to West African shareholders as at the record date of 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 Placement price of A\$0.25 per share. 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.

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 and West African's intended use of the proceeds from the Placement.. 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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