



WEST AFRICAN PLEASED WITH MANKARGA 5 SCOPING STUDY

Tuesday, July 29, 2014

THE BOURSE WHISPERER: West African Resources (ASX: WAF) has received the results of a Scoping Study of a heap leach starter project on the company's Mankarga 5 project, located in Burkina Faso.

The scoping study was based on annual throughput of 1.6 million tonnes per annum, which the company explained was in line with the capacity of a second-hand plant it purchased earlier this year.

The base case was stated assuming 100 per cent project basis and a gold price of US\$1,300 per ounce.

All amounts are in US dollars unless otherwise stated.

Highlights include:

IRR of 57 per cent with a 16 month payback on capital costs;

Free cash flow of \$103 million after capital costs NPV (5%) of \$84 million;

Pre-production capital of \$35 million plus working capital and contingency of \$9 million;

Estimated average annual gold production of 59,400 ounces for first three years;

Estimated average annual gold production of 44,100 ounces for life of mine;

Current study mine life of 5.4 years;

Life of mine strip ratio 1:1;

Cash costs of \$614 per ounce; and

All-in sustaining cash costs of \$685 per ounce (including cash costs, royalties, refining & sustaining capital).

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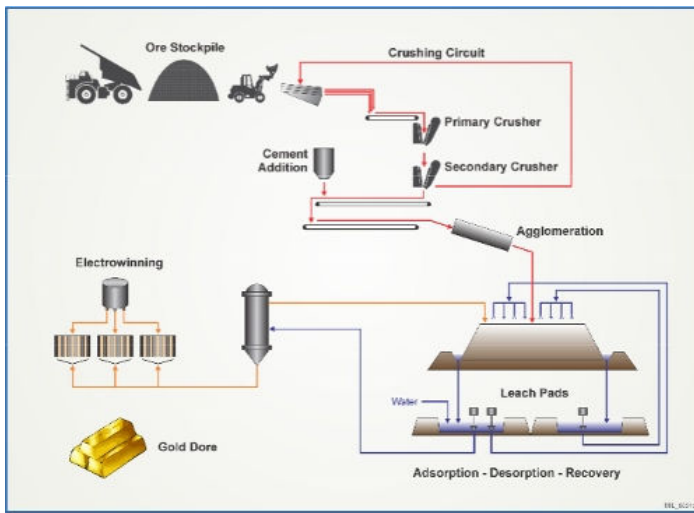
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Simplified process flow sheet. Source: Company announcement

“The study has shown that Stage 1 of the development of Mankarga 5 has a very short payback, high internal rate of return and NPV two and a half times capital costs,” West African Resources Managing Director Richard Hyde said in the company’s announcement to the Australian Securities Exchange.

“The study marks an important milestone for us as we can now transition from explorer to a low capital cost developer, which is an excellent achievement only six months after acquiring the Mankarga 5 project.”

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