



Mankarga 5 coming into focus

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WEST African Resources has estimated its flagship Mankarga 5 gold project in Burkina Faso will require \$US43.9 million (\$A46.7 million) in pre-production capital.

This will include \$21.6 million for a heap leach plant planned to process 1.6 million tonnes per annum of initial production throughput.

The completed scoping study envisaged a starter project with a net present value of \$84 million and an internal rate of return of 58%.

Results were based on a gold price of \$1300 per ounce. Gold was last trading about \$1306/oz.

Payback on capital costs is expected in within 16 months, while life-of-mine all-in sustaining costs came in at \$685/oz of gold produced.

The company said production could average 59,400oz for the first three years and 44,100oz over the 5.4-year life of the operation.

Production has been projected to begin in the fourth quarter of fiscal 2015.

"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," West African MD Richard Hyde said.

The study proposed the development of the deposit via conventional truck and excavator open pit mining methods, including drill and blast, load and haul, using mining contractors.

Mining is expected to advance continuously with ore stockpiled according to gold grade and oxidation state.

The final open pit footprint will be about 2800m long by 300m wide and up to a maximum depth of 60 vertical metres.

The company highlighted potential to improve the project economics by upgrading the existing gold resource of 437,000oz (indicated) and 1 million ounces (inferred).

A further scoping study into a second-stage sulphide project is also planned for 2015.

West African holds a 90% interest in Mankarga and has entered into an agreement with the minority stakeholder to acquire the remaining 10%.

It intends to apply for a mining permit in the second half of 2014.

Last month, drilling results at the project included a 10m intersection at 1.28 grams per tonne gold from 4m and 9m at 1.34gpt gold from 20m.

The company plans to do more drilling in the first, second and fourth quarters of 2015.

Shares in West African were last trading down 4.3% at A11c.



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