



WEST AFRICAN RESOURCES LIMITED

ABN 70 121 539 375

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

PROXY FORM

1.30 PM, 29 NOVEMBER 2010

AT

**FIRST FLOOR
CWA HOUSE (COUNTRY WOMAN'S ASSOCIATION)**

1176 HAY STREET

WEST PERTH

WESTERN AUSTRALIA 6005

NOTICE OF ANNUAL GENERAL MEETING

The attached "Explanatory Memorandum" should be read in conjunction with this Notice of Meeting.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of West African Resources Limited ABN 70 121 539 375 ("**the Company**") will be held at the First Floor, CWA House (Country Woman's Association), 1176 Hay Street, West Perth, Western Australia 6005 **29th November 2010 at 1.30 p.m.**, to conduct the following business:

BUSINESS OF THE MEETING

ANNUAL REPORT 2010

To receive and consider the financial report together with the Directors' report (including the remuneration report) and auditor's report for the financial year ended 30 June 2010.

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the period ended 30 June 2009 be adopted."

RESOLUTION 2 – RE-ELECTION OF MR STEPHEN ROSS AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Stephen Ross, who retires as a Director in accordance with rule 12.13 of the Company's Constitution and, being eligible, having offered himself for re-election, be and is hereby re-elected as a Director".

RESOLUTION 3 – GRANT OF OPTIONS TO A DIRECTOR, MR FRANCIS HARPER

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 195 and Chapter 2E of the Corporations Act and of Listing Rule 10.11 and for all other purposes, the Company approves and authorises the grant to Mr Francis Harper (or his nominee) a total of 1,500,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution by Mr Francis Harper or any of his associates. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – GRANT OF OPTIONS TO A DIRECTOR, MR RICHARD HYDE

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 195 and Chapter 2E of the Corporations Act and of Listing Rule 10.11 and for all other purposes, the Company approves and authorises the grant to Mr Richard Hyde (or his

nominee) a total of 4,000,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution by Mr Richard Hyde or any of his associates. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – GRANT OF OPTIONS TO A DIRECTOR, MR STEPHEN ROSS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 195 and Chapter 2E of the Corporations Act and of Listing Rule 10.11 and for all other purposes, the Company approves and authorises the grant to Mr Stephen Ross (or his nominee) a total of 750,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution by Mr Stephen Ross or any of his associates. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 – GRANT OF OPTIONS TO A DIRECTOR, MR SIMON STORM

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of section 195 and Chapter 2E of the Corporations Act and of Listing Rule 10.11 and for all other purposes, the Company approves and authorises the grant to Mr Simon Storm (or his nominee) a total of 750,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution by Mr Simon Storm or any of his associates. However, the Company need not disregard a vote if it is cast by a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass the following as an **ordinary** resolution:

"That, for the purposes of section 327D of the Corporations Act and for all other purposes, approval is given for the Directors to appoint Stanton's International Audit and Consulting Pty Ltd trading as Stanton's International as auditors of the Company, having been nominated by a shareholder and consented in writing to act in the capacity of auditor."

All Shareholders are invited to attend. An Explanatory Memorandum to Shareholders follows this notice.

By Order of the Board



Simon Storm
Company Secretary

14 October 2010

PROXIES

In accordance with Section 249L(d) of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified then in accordance with section 249X(3) of the Corporations Act each proxy may exercise one half of the votes.

In accordance with Section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Level 2
 23 Ventnor Avenue
 West Perth WA 6005
Facsimile Number: (08) 9278 6449

The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

For the purposes of Regulation 7.11.37 of the Corporations Regulations, the Company determines that ordinary shares held at 5.00pm, 27 November 2010 will be taken, for the purposes of the Annual General Meeting, to be held by the person who held them at that time.

Notes

1. If a proxy form is signed or authenticated by an appointer's power of attorney, the power of attorney or a certified copy thereof (if any) under which it is signed must accompany the proxy form and be received by West African Resources Limited, Level 2, 23 Ventnor Avenue, West Perth WA 6005, not later than 48 hours before the appointed time of the Annual General Meeting.
2. Proxy forms executed by a corporation must be in accordance with the requirements of the Corporations Act or under the hand of its attorney. In the case of a sole director/secretary company, please indicate "sole director" in the space provided.
3. Should you desire to direct your proxy on how to vote, place a cross in the appropriate box for each item, otherwise your proxy may vote as your proxy thinks fit or abstain from voting.
4. If two proxies are appointed, you may delete "all" and insert the relevant number or proportion of shares in respect of which each such appointment is made. A separate proxy must be completed for each proxy.

If you need any further information about this form or attendance at the Annual General Meeting, please contact the Company Secretary on (08) 9481 7344

OTHER

Words, which are defined in the Explanatory Memorandum, have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting and the Explanatory Memorandum, the following words are defined here:

"ASX" means Australian Securities Exchange Limited (ACN 008 624 691).

"Board" means the board of directors of the Company.

"Company" means West African Resources Limited ABN 70 121 539 375.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Director" means a director of the Company.

"Dollar" or "\$" means Australian Dollars.

"Employee" includes an officer, employee or contractor of, or consultant to, the Company.

"Explanatory Memorandum" means the explanatory memorandum set out and attached to this Notice of Meeting.

"Listing Rules" means the listing rules of ASX.

"Notice of Meeting" or "Notice" means this notice of annual general meeting.

"Proxy Form" means the proxy form accompanying this Notice of Meeting.

"Recipient Officers" means Francis Harper, Richard Hyde, Stephen Ross and Simon Storm, or their respective nominees.

"Resolution" means a resolution set out in this Notice of Meeting.

"Shareholder" means a holder of Shares.

"Shares" means fully paid ordinary shares in the capital of the Company.

"WST" means Western Standard Time.

WEST AFRICAN RESOURCES LIMITED EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the annual general meeting of Shareholders to be held on **29th November 2010** (“**the Meeting**”).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

BUSINESS OF THE MEETING

Annual Report 2010

Section 317 of the Corporations Act requires the Directors to lay before the annual general meeting the financial report, Directors’ report (including the remuneration report) and the auditor’s report for the last financial year that ended before the annual general meeting.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders at the annual general meeting (save for Resolution 1 for the adoption of the remuneration report).

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R of the Corporations Act requires that a resolution must be put to the vote at the Company’s annual general meeting that the remuneration report be adopted. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions, or make comments on, the remuneration report at the annual general meeting.

RESOLUTION 2 – TO RE-ELECT MR STEPHEN ROSS AS A DIRECTOR

In accordance with rule 12.13 of the Company’s Constitution, at each annual general meeting of the Company one third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3 need to retire from office by rotation, but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the Directors retiring from office.

Accordingly, Mr Ross is required to retire by rotation at the forthcoming annual general meeting, and being eligible, offers himself for re-election as a Director.

Mr. Ross has operated for over 17 years in the minerals industry in geological consulting, business development and corporate positions. He is currently the Managing Director of Manas Resources Limited, a gold exploration company based in the Kyrgyz Republic.

Mr. Ross has been involved in the West African mineral industry for 14 years, and has held senior management and technical positions whilst based in West Africa. Mr. Ross has also held senior management positions in Central Asia.

He is a member of the Australian Institute of Mining and Metallurgy and is a Fellow of the Financial Services Institute of Australia. Mr Ross was formerly a director of ASX listed Azumah Resources Limited and Central Asia Resources Limited.

RESOLUTIONS 3-6 – ISSUES OF OPTIONS TO DIRECTORS

1.1 Director Options

Resolutions 3, 4, 5 and 6 deal with the grant of Options to the directors of the Company. The Company proposes to offer to grant Options to four Directors, Francis Harper (or his nominee), Richard Hyde (or his nominee), Stephen Ross (or his nominee) and Simon Storm (or his nominee) (“Recipient Officers”) on the terms and conditions set out in Annexure A.

The proposed grant of Options to the Recipient Officers is intended to:

- (a) provide an appropriate and adequate incentive for them;
- (b) ensure that the Company may retain their services; and
- (c) reinforce their commitment as directors to the Company.

The Recipient Officers will only benefit from the grant of Options when there is an improvement in the Company's share price since the date on which they are offered the Options, as reflected in the vesting conditions.

The Options will be exercisable on the satisfaction of the following vesting conditions, whichever occurs first

- (a) The achievement of a corporate goal, being the Shares of the Company to trade at a 45% premium to the 5 day VWAP (volume weighted average price) immediately prior to the date of the meeting to approve the Options and to remain at that level for the equivalent of 50 continuous ASX Business Days; or
- (b) 12 months from the issue date,

The number of Options proposed to be granted to the Recipient Officers reflects the level of commitment provided or to be provided by each director to the Company, taking into account the responsibilities of each director and the time commitments required from each director. The number of Options proposed to be granted to the Recipient Officers also reflects the value the Board feels that each director brings to the enhancement of the Company and the level of commitment required by the Company from each director.

The exercise price of the Options offered to the Recipient Officers will be 35 cents and it is intended to grant the Options to the Recipient Officers within 1 month of the approval of Resolutions 3 to 6.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period. Options issued under Resolutions 3 to 6 would at this time fall within one of those exceptions. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

One of the effects of Resolutions 3 to 6 in their current form will be to allow the directors to grant the Options proposed to be granted without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in respect of the Options to which Resolutions 3 to 6 relate:

- (a) the maximum number of Options to be granted is up to 7,000,000;
- (b) the Options will be granted no later than 1 month after the date of the Annual General Meeting;
- (c) the Options will if not exercised beforehand expire on 3 years from the issue date;
- (d) the exercise price for the Options will be 35 cents;
- (e) the grantees will be Francis Harper, Richard Hyde, Stephen Ross and Simon Storm, or their respective nominees;
- (f) Shares issued pursuant to the exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(g) no funds raised will be raised by the grant of the Options.

1.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E each Recipient Officer is a related party and the grant of Options to them constitutes the giving of a financial benefit. Accordingly, Shareholder approval is required.

In accordance with the requirements of Chapter 2E, and in particular, section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of Options to the Recipient Officers:

- (a) Each of Francis Harper, Richard Hyde, Stephen Ross and Simon Storm is a director of the Company, to whom Resolution 3, Resolution 4, Resolution 5 or, as the case may be Resolution 6 would permit the financial benefit to be given.
- (b) The nature of the financial benefit to be given to the Recipient Officers is the grant to them of the Options. Initially, no funds will be raised by the grant of Options to the Recipient Officers. However, if those Options are exercised, the funds raised thereby will be used for working capital purposes, as the Board thinks fit.
- (c) Directors' recommendation and basis of financial benefit

The Board currently consists of Francis Harper, Richard Hyde, Stephen Ross and Simon Storm.

- Francis Harper has a material personal interest in the outcome of Resolution 3 as the recipient of the Options proposed to be granted and does not wish to make a recommendation to Shareholders about Resolution 3 because he has an interest in the outcome of that Resolution.
- Richard Hyde has a material personal interest in the outcome of Resolution 4 as the recipient of the Options proposed to be granted and does not wish to make a recommendation to Shareholders about Resolution 4 because he has an interest in the outcome of that Resolution.
- Stephen Ross has a material personal interest in the outcome of Resolution 5 as the recipient of the Options proposed to be granted and does not wish to make a recommendation to Shareholders about Resolution 5 because he has an interest in the outcome of that Resolution.
- Simon Storm has a material personal interest in the outcome of Resolution 6 as the recipient of the Options proposed to be granted and does not wish to make a recommendation to Shareholders about Resolution 6 because he has an interest in the outcome of that Resolution.

The primary purpose of the issue of the Options to the Recipient Officers, is to provide an incentive. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in issuing the Options proposed by Resolutions 3, 4, 5, and 6. The issue of Options to the Recipient Officers is a more cost effective incentive for the Company as opposed to the payment of additional cash compensation.

(d) Dilution

As at the date of this Notice, the capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	147,717,450
Options	29,500,000

If Shareholders approve the Resolutions contained in this Notice and all Options are issued as contemplated by Resolutions 3 - 6, the issued capital of the Company would be as follows:

Capital	Number	Issued per Resolution 3-6	Total
Ordinary Shares	147,717,450	-	147,717,450
Options	29,500,000	7,000,000	36,500,000

If Shareholders approve the issue of 7,000,000 Options to the Recipient Officers and these Options were fully exercised, the effect will be to dilute the shareholding of existing members by approximately 3.95%, based on the existing number of Shares and Options as at the date of this Notice.

(e) Total remuneration package

Details of the Recipient Officers remuneration for the year ended 30 June 2010 is as follows:

Recipient Officer	Cash, salary and fees	Super-annuation	Share based payments		Total
			Options	Shares	
Francis Harper	\$ 1,795	\$ -	\$ 8,576	\$ -	\$ 10,371
Richard Hyde	\$ 137,389	\$ -	\$ 11,435	\$ 56,000	\$ 204,824
Stephen Ross	\$ 1,795	\$ -	\$ 8,576	\$ -	\$ 10,371
Simon Storm	\$ 16,709		\$ 2,859	\$ 28,000	\$ 47,568

Details of the remuneration paid or payable to the Recipient Officers for the financial year beginning 1 July 2010 to 30 September 2010 is as follows:

Recipient Officer	Cash, salary and fees	Super-annuation	Share based payments		Total
			Options	Shares	
Francis Harper	\$ 8,750	\$ -	\$ -	\$ -	\$ 8,750
Richard Hyde	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000
Stephen Ross	\$ 8,750	\$ -	\$ -	\$ -	\$ 8,750
Simon Storm	\$ 20,175	\$ -	\$ -	\$ -	\$ 20,175

(f) Existing relevant interest

As at the date of this Notice, the Recipient Officers hold the following securities in the Company representing 36.7% of the issued capital of the Company on a fully diluted basis:

Recipient Officer	Number of Shares held directly	Number of Shares held indirectly	Number of Options held directly	Number of Options held indirectly
Francis Harper	18,543,725		7,500,000	-
Richard Hyde	7,500,000	7,550,000	-	10,000,000
Stephen Ross	-	1,250,000	-	7,500,000
Simon Storm	-	2,650,000		2,500,000

If Shareholders approve Resolutions 3-6 and all Securities are issued or granted as contemplated by this Notice, the Recipient Officers will hold the following Securities in the Company (representing 39.08% of the issued capital of the Company on a fully diluted basis based on the number of Shares and Options currently on issue):

Recipient Officer	Number of Shares held directly	Number of Shares held indirectly	Number of Options held directly	Number of Options held indirectly
Francis Harper	18,543,725	-	9,000,000	-
Richard Hyde	7,500,000	7,550,000	-	14,000,000
Stephen Ross	-	1,250,000	-	8,250,000
Simon Storm	-	2,650,000	-	3,250,000

(g) Trading History

During the period since listing the Company on ASX on 11 June 2010, before the date of lodgement of this Notice with ASIC, the highest trading price of the Shares was 37.5 cents on 8 October 2010 and the lowest trading price of the Shares was 23 cents on 15 June 2010 and 9 July 2010. The market price of the Company's Shares over the 5 days of trading on ASX up to and including 8 October 2010 has been between a minimum of 33 cents per Share to a maximum of 37.5 cents per Share. On 8 October 2010, the last trading day before this Notice was lodged with ASIC, the Shares closed at a price of 37.5 cents per Share and the Company had a market capitalisation of \$55.4 million.

(h) Valuation of the Options

A valuation of the Options proposed to be issued to the Recipient Officers has been calculated using the Black Scholes Option Pricing Model and based upon the following assumptions:

- the underlying value of each Share in the Company is based on the closing Share price of 36 cents as at 6 October 2010;
- risk free rate or return – 4.78% (based on the 3 year bond indicator rate as at 6 October 2010)
- forecast share price volatility of 90%, determined utilising the weekly closing share prices of the Company since listing;
- Options to be granted pursuant to Resolutions 3-6 will not be quoted on ASX and may not be transferred or otherwise dealt with without the approval of the Company
- The exercise price of each Option is \$0.35. The Options may be exercised after the vesting conditions (detailed in 1.1 above) have been satisfied, until their expiry date 3 years after the date of issue.

The Black Scholes Option Pricing Model attributes a theoretical value to each Option to be issued to the Recipient Officers as follows:-

	Theoretical Value per option (cents)	Discount (%) Note 1	Indicative value per option (cents)	Number of options issued to Allottee	Total value (\$)
Francis Harper	21.6	30%	15.2	1,500,000	228,000
Richard Hyde	21.6	30%	15.2	4,000,000	608,000
Stephen Ross	21.6	30%	15.2	750,000	114,000
Simon Storm	21.6	30%	15.2	750,000	114,000

Note 1 - The Black Scholes Option Pricing Model assumes that the Options the subject of the valuation can be sold on a secondary market. The terms and conditions of the Scheme state that these Options will be unlisted and not transferable. Accordingly a discount for lack of marketability is required to determine an indicative fair value of the Options. For the purposes of arriving at an appropriate discount rate, the Company has considered:

- that discounts have traditionally been applied in the range of 10% to 30% to reflect the non-negotiability of unlisted equities; and
- the fact that the Securities will be unlisted.

(i) Other information

Additional information in relation to Resolutions 3 to 6 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Explanatory Memorandum in its entirety before making a decision on how to vote on Resolutions 3 to 6.

The Company will incur no liabilities or cash costs in respect of the proposed issue of Options to the Recipient Officers other than:

(i) the fees payable to ASX for quotation of Shares, should the Options be exercised. At the rates applying at the date of this Explanatory Memorandum, these fees would be approximately \$8,075. However, these fees will not be payable until after Options have been exercised. The Company will have received \$2,450,000 should all the Options be exercised;

(ii) in relation to the Options, a value equal to the weighted average trading price of shares on ASX in the five days immediately before the date of valuation will be included as wages for the purposes of the Payroll Tax Act 2002 (WA), Pay-roll Tax Assessment Act 2002 (WA) and the Taxation Administration Act 2003(WA). If this value, in addition to other wages that are taxable in the jurisdiction, is in excess of the annual payroll tax threshold, the Company will have a liability in respect of payroll tax in that jurisdiction; and

(iii) The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense through the Company's Statement of Comprehensive Income over the vesting period, with a corresponding increase to an equity account in accordance with AASB 2 Share Based Payments.

Neither the Board nor the Company is aware of any other information that would reasonably be required by Shareholders in order to decide whether it is in the best interests of the Company to pass Resolutions 3 to 6, other than as stated in this Explanatory Memorandum.

RESOLUTION 7 – APPOINTMENT OF AUDITOR
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Due to an internal restructure of Stantons International Pty Ltd (trading as Stantons International) a new authorised audit company, Stantons International Audit and Consulting Pty Ltd trading as Stantons International, has been incorporated. In accordance with the Corporations Act 2001 there is a requirement for shareholders to approve the appointment of Stantons International Audit and Consulting Pty Ltd trading as Stantons International as the auditor of the company.

In accordance with section 327D (1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder to appoint Stantons International Audit and Consulting Pty Ltd as the Company's auditor. A copy of this nomination is attached to this Explanatory Memorandum as Annexure B.

**WEST AFRICAN RESOURCES LIMITED
TERMS AND CONDITIONS OF UNLISTED OPTIONS
NOVEMBER 2010**

1. No monies will be payable for the issue of the Unlisted Options ("Options").
2. A certificate will be issued for the Options.
3. The Options will expire three years from the date of issue ("**Expiry Date**") and may be exercised on satisfying the Vesting Conditions prior to the Expiry Date ("**Exercise Period**").
4. The "**Vesting Conditions**" are:-
 - (a) The Corporate Goal that must be met before the options vest and may be exercised is for the Shares of the Company to trade at a 45% premium to the 5 day VWAP (volume weighted average price) immediately prior to the date of the meeting to approve the Options and to remain at that level for the equivalent of 50 continuous ASX Business Days; or
 - (b) 12 months from the issue date,

whichever occurs first.

"Corporate Goal" means a corporate goal, as determined from time to time by the Company, being the achievement of a milestone in the development of the Company and/or its business plan.

5. Subject to conditions 13 and 14 the Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
6. Shares allotted to option holders on exercise of the Options will be issued at a price of 35 cents each ("**Exercise Price**").
7. The Exercise Price of Shares the subject of the Options will be payable in full on exercise of the Options.
8. Options will be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Options; and
 - (b) pay the subscription monies in full for the exercise of each Option.

The notice must be accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.

9. The Company will allot the resultant Shares and deliver the share certificate or holding statement within ten business days of the exercise of the Option.
10. Options will not be listed for official quotation on the Australian Stock Exchange Limited ("**ASX**").
11. The Options will not be transferable.
12. There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to shareholders during the currency of the Options. Prior to any new pro rata issue of securities to shareholders, holders of Options will be notified by the Company in accordance with the requirements of the Listing Rules of the Australian Stock Exchange.

13. In the event of a bonus issue the number of Shares over which the Options are exercisable may be increased by the number of Shares which the option holders would have received if the Options had been exercised before the record date for the bonus issue.
14. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules.
15. Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
16. The Company will in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
17. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
18. An option holder can exercise the Options in accordance with the terms set out in the Offer Letter, subject to the lapse of Options:
 - a) 90 days after the resignation, retirement or retrenchment, bankruptcy or insolvency, or the death of the option holder or the person through whom the option holder is entitled to such Options;
19. An option holder can exercise the Options should there be a Change in Control.

“Control” means the ownership directly or indirectly of greater than 90% of the voting rights in a company or other legal entity.

“Change in Control” means the persons who have Control of the Company cease to have Control of it, or one or more persons acquires Control of it after the issue of Options.

38 Hawkstone Street
Cottesloe
Western Australia
6011

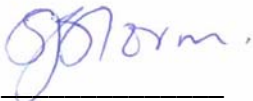
8 October 2010

The Directors
West African Resources Limited
Level 2
23 Ventnor Avenue
West Perth
WA 6005

Dear Board

I hereby nominate Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) to be appointed as auditors of West African Resources Limited at the forthcoming 2010 AGM of West African Resources Limited.

Yours faithfully



Sheena Storm

West African Resources Ltd

ABN 70 121 539 375

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 WAF
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 1:30pm (WST) Saturday 27 November 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report:

www.westafricanresources.com

Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Your secure access information is: SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of West African Resources Ltd hereby appoint

the Chairman of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of West African Resources Ltd to be held at First Floor, CWA House (Country Women's Association) 1176 Hay Street, West Perth, Western Australia on Monday, 29 November 2010 at 1:30pm (WST) and at any adjournment of that meeting.

Important for Resolutions 3 to 6: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 3 to 6 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 3 to 6 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3 to 6.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of the Resolutions and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Stephen Ross as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Grant of Options to a Director, Mr Francis Harper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to a Director, Mr Richard Hyde	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Options to a Director, Mr Stephen Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Options to a Director, Mr Simon Storm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____