



Notice of General Meeting and Explanatory Memorandum to Shareholders

Date: 17 December 2020

Time: 11:00am (AWST)

Place: CWA House (Country Women's Association),
1176 Hay Street, West Perth, Western Australia

Please read this Notice and Explanatory Memorandum carefully.
If you are unable to attend the General Meeting please complete and
return your Proxy Form in accordance with the specified directions.

West African Resources Limited

ACN 121 539 375

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of West African Resources Limited ACN 121 539 375 will be held at CWA House (Country Women's Association), 1176 Hay Street, West Perth, Western Australia on 17 December 2020 at 11:00am (AWST) for the purpose of transacting the following business referred to in this Notice of General Meeting.

AGENDA

RESOLUTION 1: GRANT OF PERFORMANCE RIGHTS TO RICHARD HYDE

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,500,000 Performance Rights for no consideration, with each Performance Right having a nil exercise price and an expiry date four years from the date of issue, to Richard Hyde (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Richard Hyde and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

RESOLUTION 2: GRANT OF PERFORMANCE RIGHTS TO LYNDON HOPKINS

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Performance Rights for no consideration, with each Performance Right having a

nil exercise price and an expiry date four years from the date of issue, to Lyndon Hopkins (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *Lyndon Hopkins and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*
- (b) *an Associate of those persons.*

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
 - (ii) *the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.*

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

RESOLUTION 3: GRANT OF PERFORMANCE RIGHTS TO ELIZABETH MOUNSEY IN LIEU OF DIRECTOR'S FEES

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue Performance Rights, with each Performance Right having a nil exercise price and an expiry date two years from the date of issue, to Elizabeth Mounsey (or her nominee) in lieu of Director’s fees for the period 29 May 2020 to 31 December 2022 on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *Elizabeth Mounsey and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*
- (b) *an Associate of those persons.*

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) *a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (b) *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

RESOLUTION 4: GRANT OF PERFORMANCE RIGHTS TO STEWART FINDLAY IN LIEU OF DIRECTOR'S FEES

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue Performance Rights, with each Performance Right having a nil exercise price and an expiry date two years from the date of issue, to Stewart Findlay (or his nominee) in lieu of Director’s fees for the period 29 May 2020 to 31 December 2022 on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Stewart Findlay and a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

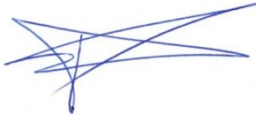
If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

Other Business

To deal with other business which may be brought forward in accordance with the Constitution and the Corporations Act

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Padraig O'Donoghue
CFO and Company Secretary

Dated: 12 November 2020

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions by post, electronically via the internet or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1-4 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 11.00am (AWST) on 15 December 2020. Proxies received after this time will be invalid.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the address below, or by facsimile, and by 11.00am (AWST) on 15 December 2020. If facsimile transmission is used, the Power of Attorney must be certified.
- Proxies may be lodged using any of the following methods:

By internet:

Log on to www.investorvote.com.au

If you are a custodian and an Intermediary Online subscriber, you can log on to www.intermediaryonline.com

By post:

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

By fax:

(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4pm (AWST) on 15 December 2020.

West African Resources Limited

ACN 121 539 375

Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Resolutions 1 and 2 – Grant of Performance Rights to Executive Directors

The Company proposes a once-off total grant of 2,500,000 Performance Rights to Richard Hyde and Lyndon Hopkins (**Executive Directors**) or their nominees. The Performance Rights have the following terms and conditions:

Proposed grant to Mr Hyde

Number	Exercise Price	Expiry Date	Vesting Conditions
750,000	Nil	4 years from date of issue.	Mr Hyde continuously holds office as an employee or Director of the Company until the first time the VWAP for a 20-trading day period is \$2.00 or higher within three years from the date of issue.
750,000	Nil	4 years from date of issue.	Mr Hyde holds continuous office as an employee or Director of the Company for three consecutive years from the date of issue.

Proposed grant to Mr Hopkins

Number	Exercise Price	Expiry Date	Vesting Conditions
500,000	Nil	4 years from date of issue.	Mr Hopkins continuously holds office as an employee or Director of the Company until the first time the VWAP for a 20-trading day period is \$2.00 or higher within three years from the date of issue.
500,000	Nil	4 years from date of issue.	Mr Hopkins holds continuous office as an employee of the Company for three consecutive years from the date of issue.

Other key terms and conditions of the Performance Rights

- (a) The proposed grant and issue of Performance Rights will be subject to the terms of the Plan.
- (b) The Performance Rights will be issued for nil cash consideration.
- (c) On valid exercise of any vested Performance Rights the Executive Director (or his nominee) will be entitled to receive one Share for every Performance Right exercised.
- (d) If a Change of Control occurs (as defined on page 20), any vesting conditions in respect of the Performance Rights will be deemed to be automatically waived.

Rationale for the proposed grant

The Executive Directors and other KMP have delivered strong returns for Shareholders over the last five years:

- (a) +300% return (\$0.25 to +\$1.00 per Share) since the last Share placement in December 2018 to raise funds for construction of the Sanbrado Gold Project.
- (b) +700% return (\$.125 to +\$1.00 per share) since the Share placement price post-discovery in April 2016.
- (c) +1400% return (\$0.065 to +\$1.00 per share) since the Share placement in December 2015, shortly before discovery of high grade at M1 South.

The Executive Directors and other KMP have demonstrated:

- (a) The ability to discover, drill and develop a significant gold project in a challenging jurisdiction ahead of schedule and US\$20 million under budget.
- (b) Exceptional commitment and leadership to commission and operate the Sanbrado Gold Project throughout the current COVID-19 global pandemic.
- (c) Skills and experience that would be difficult to replace in the current labour market.

The rationale for the grant of the Performance Right's is to:

- (a) incentivise the Executive Directors to continue to achieve Share price appreciation;
- (b) encourage retention of the Executive Directors. The Executive Directors' proven ability to lead the exploration, development, and operation of a successful mining project located in a challenging foreign location would be difficult to replace in the current labour marketplace. Therefore, the future success of the Company is enhanced by retaining the Executive Directors.

It is noted, if the vesting conditions are achieved and the Shares are issued to the Executive Directors, the maximum dilution to existing Shareholders is 0.77%.

Related Party Transactions Generally

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

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Executive Directors is a related party of the Company.

In relation to Resolutions 1 and 2, the Board (excluding the Executive Directors) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue is being made as a retention incentive and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs Hopkins, Leonard, Spicer and Findlay and Ms Mounsey (who have no interest in the outcome of Resolution 1) recommend that Shareholders vote in favour of Resolution 1. Mr Hyde declines to make a recommendation about Resolution 1 as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to him or his nominee. The Board (other than Mr Hyde) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Messrs Hyde, Leonard, Spicer and Findlay and Ms Mounsey (who have no interest in the outcome of Resolution 2) recommend that Shareholders vote in favour of Resolution 2. Mr Hopkins declines to make a recommendation about Resolution 2 as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to him or his nominee. The Board (other than Mr Hopkins) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 2.

Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to the Executive Directors pursuant to the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 1 is passed, the Company will grant 1,500,000 Performance Rights to Richard Hyde or his nominee. If Resolution 2 is passed, the Company will grant 1,000,000 Performance Rights to Lyndon Hopkins or his nominee.

If Resolutions 1 and 2 are not passed, the Company will not grant Performance Rights to the Executive Directors.

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be granted to Richard Hyde and Lyndon Hopkins, or their nominees, as noted above;
- (b) the Executive Directors fall within Listing Rule 10.14.1 by virtue of being Directors (or Listing Rule 10.14.2 if granted to a nominee by virtue of being an associate of a Director);
- (c) 1,500,000 Performance Rights will be granted to Richard Hyde or his nominee and 1,000,000 Performance Rights will be granted to Lyndon Hopkins or his nominee;

- (d) the current fixed remuneration and details of existing unexercised equity based remuneration for the Executive Directors is set out below:

Executive Director	Richard Hyde	Lyndon Hopkins
Annual fixed remuneration	\$585,000	\$450,000
Vested LTI Premium Exercise Price Options (PEPOs)	994,933	607,128
Vested LTI Zero Exercise Price Options (ZEPOs)	588,235	355,932
Unvested LTI ZEPOs	406,698	251,196
Unvested STI ZEPOs	1,010,744	663,936

- (e) the number of securities previously issued to each of the Executive Directors under the Plan is set out in the above table in paragraph (d). All of the ZEPOs and PEPOs in the table were issued for nil cash consideration;
- (f) the key terms and conditions of the Performance Rights to be issued to the Executive Directors are set out above and are otherwise subject to the terms of the Plan;
- (g) the type of security is being used is a Performance Right. This type of security is considered best suited to being granted as a reward and retention incentive as it does not require the Director to pay to exercise the Performance Right and is more easily cancelled than Shares where a vesting condition is not met;
- (h) the Company's advisors have valued the Performance Rights using the binomial method. Based on the assumptions set out in Annexure A, it is considered that the estimated weighted average value of the Performance Rights to be granted to the Executive Directors is \$0.9275 per Performance Right;
- (i) the Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Performance Rights will be granted for no consideration;
- (k) a summary of the material terms of the Plan is set out in Annexure B;
- (l) no loan is being made in relation to the Performance Rights;
- (m) details of any securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

2 Resolutions 3 and 4 – Grant of Performance Rights in lieu of Director’s Fees

Pursuant to the terms of their appointment, the Company has agreed to pay directors’ fees of \$75,000 per annum to each of Elizabeth Mounsey and Stewart Findlay (**Participating Directors**). Subject to Shareholder approval, the Company and the Participating Directors have agreed that Performance Rights may be issued in lieu of 30% of the fees owing to the Participating Directors for the period 29 May 2020 to 31 December 2022.

The proposed issue of Performance Rights in lieu of 30% of the fees owing to the Participating Directors for the period 29 May 2020 to 31 December 2022 aligns the remuneration arrangements of the Participating Directors with that of Messrs Leonard and Spicer (the Company’s other Non-Executive Directors), whose arrangements were approved by Shareholders at the Company’s last annual general meeting held on 29 May 2020.

The Performance Rights will be issued pursuant to the Plan, a summary of which is set out in Annexure B.

The number of Performance Rights to be issued will be calculated by reference to the volume weighted average price of the Company’s Shares as follows (the **Performance Rights Formula**):

$$\text{Number of Performance Rights} = \frac{\text{30\% of relevant Director's annual Director fee}^1}{\text{Relevant VWAP}}$$

Relevant VWAP means the 7 day VWAP Share price up to:

- (i) 29 May 2020 (in the case of Performance Rights granted in lieu of Director fees owed during 2020), being \$0.7871;
- (ii) 31 December 2020 (in the case of Performance Rights granted in lieu of Director fees owed during 2021); and
- (iii) 31 December 2021 (in the case of Performance Rights granted in lieu of Director fees owed during 2022).

Based on the Performance Rights Formula, the number of Performance Rights to be granted to each of the Participating Directors in lieu of Director fees owed during 2020 is 28,586 Performance Rights.

It is anticipated the Performance Rights will be issued annually in advance.

Other key terms and conditions of the Performance Rights

- (a) The proposed grant and issue of Performance Rights will be subject to the terms of the Plan.
- (b) The Performance Rights will be issued for nil cash consideration.
- (c) On valid exercise of any vested Performance Rights the Participating Directors (or his/her nominee) will be entitled to receive one Share for every Performance Right exercised.
- (d) If a Change of Control occurs (as defined on page 20), any vesting conditions in respect of the Performance Rights will be deemed to be automatically waived.
- (e) The Performance Rights granted in lieu of Director fees are subject to the following vesting condition – the relevant Participating Director holds continuous office as a director of the Company for one year from the date the Performance Rights are issued. If a Participating Director ceases to be a Director during that period, the Company may, in its discretion, waive this vesting condition

on a pro rata basis to reflect the proportion of the financial year that the Participating Director was a Director.

Related Party Transactions Generally

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

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is a related party of the Company.

In relation to Resolutions 3 and 4, the Board (excluding the Participating Directors) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights as the issue forms part of the remuneration package for each of the Participating Directors and is considered reasonable remuneration for the purposes of section 211 of the Corporations Act.

Directors' recommendation

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs Hyde, Hopkins, Leonard, Spicer and Findlay (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3. Ms Mounsey declines to make a recommendation about Resolution 3 as she has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to her or her nominee. The Board (other than Ms Mounsey) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Messrs Hyde, Hopkins, Leonard and Spicer and Ms Mounsey (who have no interest in the outcome of Resolution 4) recommend that Shareholders vote in favour of Resolution 4. Mr Findlay declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to him or his nominee. The Board (other than Mr Findlay) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.

Information Requirements – Listing Rules 10.14 and 10.15

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to the Participating Directors pursuant to the Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolutions 3 and 4 are passed, the Company will grant Performance Rights to each of the Participating Directors in accordance with the Performance Rights Formula as noted above.

If Resolution 3 and 4 are not passed, the Company will not grant the Performance Rights to the Participating Directors in lieu of fees and will need to consider other ways to remunerate the Related Parties (including by paying their Director fees entirely in cash).

The following further information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the Performance Rights will be granted to Elizabeth Mounsey and Stewart Findlay, or their nominees, as noted above;
- (b) the Participating Directors fall within Listing Rule 10.14.1 by virtue of being Directors (or Listing Rule 10.14.2 if granted to a nominee by virtue of being an associate of a Director);
- (c) the number of Performance Rights to be issued to each Participating Director will be calculated using the Performance Rights Formula set out above;
- (d) the current total Directors' fees and equity based remuneration for the Participating Directors is set out below:

Director	Directors' fees	Other equity based remuneration
Elizabeth Mounsey	\$75,000 per year	nil
Stewart Findlay	\$75,000 per year	nil

- (e) no securities have previously issued to the Participating Directors under the Plan;
- (f) the key terms and conditions of the Performance Rights to be issued to the Participating Directors are set out above and are otherwise subject to the terms of the Plan;
- (g) the type of security is being used is a Performance Right. This type of security is considered best suited to being granted in lieu of Director fees as it does not require the Director to pay to exercise the Performance Right and is more easily cancelled than Shares where a vesting condition is not met;
- (h) the Company's advisors have valued the Performance Rights using the binomial method. Based on the assumptions set out in Annexure A, it is considered that the estimated average value of the Performance Rights to be granted to the Participating Directors is A\$1.00 per Performance Right;
- (i) the Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Performance Rights will be granted for no consideration;
- (k) a summary of the material terms of the Plan is set out in Annexure B;
- (l) no loan is being made in relation to the Performance Rights;
- (m) details of any securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;

- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule; and
- (o) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

GLOSSARY

\$ means Australian dollars.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the individual elected to chair any meeting of the Company from time to time.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means West African Resources Limited ACN 121 539 375.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Executive Directors means Richard Hyde and Lyndon Hopkins.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the General Meeting convened by the Notice.

Notice means this Notice of General Meeting.

Notice of Meeting means this Notice of General Meeting.

Participating Directors means Elizabeth Mounsey and Stewart Findlay.

Performance Right means a performance right to acquire a share issued pursuant to the Plan.

Plan means the Company's Incentive Option and Performance Rights Plan.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

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

ANNEXURE A VALUATION OF PERFORMANCE RIGHTS

The values of the performance rights to be granted pursuant to the Resolutions have been estimated using the binomial method. The assumptions used and resulting estimated option values are set out below.

1. Executive Directors' Performance Rights under Resolutions 1 and 2

Assumptions	Performance Rights with service vesting condition	Performance Rights with share price vesting condition
Valuation date	10-Nov-20	10-Nov-20
Closing market share price as at the valuation date	\$1.00	n/a
20-day VWAP on valuation date	n/a	\$1.0203
Time to expiry	1460 days	1460 days
Implied service condition	1095 days	1095 days
Non-market condition	Change of Control ⁽¹⁾	Change of Control ⁽¹⁾
Volatility ⁽²⁾	73.364%	73.364%
Risk free rate ⁽³⁾	0.21	0.21
Barrier price	n/a	\$2.00
Value per Performance Right	\$1.00	\$0.855
Weighted average value of the Performance Rights to be granted to the Executive Directors ⁽⁴⁾	\$0.9275	

2. Non-Executive Directors' Performance Rights under Resolutions 3 and 4

Assumptions	Performance Rights with service vesting condition
Valuation date	10-Nov-20
Closing market share price as at the valuation date	\$1.00
Time to expiry	730 days
Implied service condition	365 days
Non-market condition	Change of Control ⁽¹⁾
Volatility ⁽²⁾	73.364%
Risk free rate ⁽³⁾	0.21
Value per Performance Right to be granted to the Participating Directors	\$1.00

Notes to above tables:

- (1) *Change of Control is defined on page 20.*
- (2) *Risk free rate represents the average of the 3 year and 5 year bond rates on 10 November 2020, per the Reserve Bank of Australia.*
- (3) *Volatility represents the historical market price volatility of the Shares over the period from 10 November 2019 to 10 November 2020.*
- (4) *Weighted average value is calculated based on the equal 50/50 split in the number of each of the two categories of Performance Rights to be granted to the Executive Directors.*

ANNEXURE B

SUMMARY OF THE MATERIAL TERMS OF THE PLAN

1. Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant¹ to apply for Options or Performance Rights (together, **Awards**), upon the terms set out in the Incentive Plan and upon such additional terms and conditions as the Board determines (**Offer**).

2. Offer and Application Form

An invitation to apply for the issue of Awards under the Incentive Plan must be made by way of an offer document (**Offer Document**). At a minimum, the Offer Document must include the following information:

- (a) the type of Award that the Eligible Participant may apply for;
- (b) the maximum number of Awards that the Eligible Participant may apply for, or the formula for determining the number of Awards that may be applied for;
- (c) the maximum number of Shares that the Participant is entitled to be issued or transferred on the exercise of each Award or the formula for determining the maximum number of Shares;
- (d) the Option exercise price (**Exercise Price**) of any Options or the formula for determining the Option Exercise Price;
- (e) any applicable vesting conditions as determined by the Board in its discretion;
- (f) any restriction period the Board has resolved to apply to Shares issued on exercise of the Awards;
- (g) when Awards will expire (**Expiry Date**);
- (h) the date by which an Offer Document must be accepted (**Closing Date**);
- (i) any other terms and conditions applicable to the Awards; and
- (j) any other information required by law or the Corporations Act, ASIC Class Order 14/1000 (**Class Order**) or the ASX Listing Rules or the considered by the Board to be relevant to the Awards or the Shares to be issued on the exercise of the Awards.

The Offer is personal and is not assignable.

An Eligible Participant (or permitted nominee) may apply for Awards in whole or in part, by signing and returning an application form to the Company no later than the Closing Date. The Board may accept or reject any application form in its absolute discretion. The Company will not be bound to issue any Awards to an Eligible Participant (or nominee) unless and until the Board determines to accept an application form.

¹ **Eligible Participant** means:

- (a) a Director (whether executive or non-executive) of the Company or an associated body corporate (**Group Company**);
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order); or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (a), (b) or (c) above, who is declared by the Board to be eligible to receive grants of Awards under the Plan.

Where an Eligible Participant has been issued an Award under the Plan, they are considered to be a **Participant** for the purposes of the Plan.

Where the Company needs to rely on the Class Order in respect of an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

3. Terms of the Awards

- (a) An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion) or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Unless quoted on the ASX, each Option will be issued under the Incentive Plan for no more than nominal cash consideration. Each Performance Right will be issued for nil cash consideration.
- (c) Each Award will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Offer otherwise provides.
- (d) The Board may determine the Option Exercise Price (if any) for an Option offered under the Offer in its discretion.
- (e) Awards will not be listed for quotation on the ASX, unless the Offer provides otherwise. The Company will apply for official quotation of the Shares issued upon the exercise of any vested Awards within 10 Business Days of the date the Shares are issued and the date any Restriction Period (as defined below) applicable ends.
- (f) A Participant is not entitled to participate in or receive any dividend or other Shareholder benefits (including the notice of, or to vote or attend at, a meeting of the Shareholders) until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (g) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (h) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Awards except to the extent an Offer provides otherwise.
- (i) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer otherwise provides where permitted by the ASX Listing Rules.
- (j) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the ASX Listing Rules applying to reorganisations at the time of the reorganisation.
- (k) Following the issue of Shares following exercise of vested Awards, Participants will be entitled to dividends and to exercise voting rights attached to the Shares, subject to any disposal restrictions advised to the Participant.
- (l) All Shares issued under the Plan will rank equally with the Shares of the same class for the time being on issue except any rights attaching to such Shares by reference to a record date prior to the date of their issue.

4. Vesting and Exercise of Awards

- (a) **Vesting Conditions:** Subject to clause 4(b) below, an Award issued under the Plan will not vest and be exercisable unless the vesting conditions (if any) attaching to that Award have been satisfied and the Board has notified the Participant of that fact within 10 Business Days of becoming aware that any vesting condition has been satisfied.
- (b) **Vesting Condition Waiver:** Notwithstanding clause 4(a) above, the Board may, in its absolute discretion, by written notice to an Participant, resolve to waive any of the vesting conditions applying to an Award in whole or in part at any time. For clarity, the Board may in its discretion waive or reduce any vesting conditions after the time specified for satisfaction of those vesting conditions has passed.
- (c) **Exercise on Vesting:** A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer, exercise any vested Award at any time after the Board notifies that the Award Right has vested and before it lapses by providing the Company with the certificate for the Awards, notice addressed to the Company and signed by the Participant stating it is exercising the Awards and specify the number of Awards exercised, and payment of an amount equal to the Option Exercise Price (if applicable) multiplied by the number of Options exercised except to the extent the Board approves the use of Cashless Exercise Facility or the Cash Payment Facility as described below.
- (d) **Cashless Exercise Facility:** In respect of Options, the Board may, in its discretion, permit a Participant to exercise some or all of their Options by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles a Participant to setoff the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.

If a Participant elects to use the Cashless Exercise Facility, and its use is approved by the Board, the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:

- (A) the aggregate total **Market Value**² (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised for a cash Option Exercise Price;
- (B) less the aggregate total Option Exercise Price otherwise payable in respect of the vested Options exercised; and
- (C) divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.

If the Option Exercise Price otherwise payable in respect of the Options being exercised is the same or higher than the Market Value of Shares at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.

- (e) **Cash Payment:** Subject to the Corporations Act, the ASX Listing Rules, the Plan and the terms of any Offer, where an Offer so provides, when all Vesting Conditions in respect of an Award have been satisfied or waived, the Board may, in its discretion, within 10 Business Days of receipt of a valid notice of exercise for vested Award, in lieu of issuing or transferring a Share to the Participant on exercise of the Award, pay the Participant or his or her personal representative (as the case may be) a cash payment for the Award exercised equal to the Market Value of a Share up to and including the date the Award was exercised, less, in respect of an Option, any Option Exercise

² The Market Value of a Share means the volume weighted average price for a Share traded on ASX during the 7 day period up to and including the day the Market Value is determined.

Price. A vested Award automatically lapses upon payment of a Cash Payment in respect of the vested Award.

- (f) **Blackout Periods and insider trading:** If the issue or transfer of Shares on the exercise of an Award would otherwise fall within a blackout period (as provided for in the Company's policies for trading in securities), or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration of the blackout period or the day on which the insider trading or takeover provisions (as applicable) no longer prevent the issue or transfer of the Shares.

5. Lapsing of Awards

An Award will lapse upon the earlier of:

- (a) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
- (b) a vesting condition not being satisfied or becoming incapable of satisfaction as determined by the Board acting reasonably (and not being waived by the Board in its discretion);
- (c) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to waive any vesting conditions or allow it to remain unvested subject to any vesting conditions;
- (d) in respect of a vested Award, a holder ceases to be an Eligible Participant (or in the case of a nominee ceases to be an Eligible Participant) and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines) of the date cessation as an Eligible Participant, and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result or that the Award issued be cancelled in consideration for a cash payment to the holder and a cash payment is made in respect of the vested Award;
- (e) the Board deems that an Award lapses due to fraud, dishonesty, gross negligence, serious and wilful misconduct or acts which cause a material adverse effect to the Company's reputation by a holder / Eligible Participant;
- (f) an Eligible Participant's office or employment is terminated due to serious or wilful misconduct or for cause without notice;
- (g) a holder deals with an Award or a Restricted Share (defined below) contrary to the terms of the Plan;
- (h) in respect of an unvested Award, a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Incentive Plan; and
- (i) the Expiry Date of the Award.

6. Restrictions on Shares

- (a) The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award (**Restricted Shares**), up to a maximum of 15 years from the acquisition date of the Award (**Restriction Period**).
- (b) The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period (other than where imposed by the ASX Listing Rules).
- (c) An Eligible Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

- (d) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (e) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.
- (f) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules, the Company lodging the share certificates for the Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period or released from restrictions (at which time the Company will arrange for the share certificates to be provided to the Eligible Participant) and the application of a Holding Lock over Shares until the expiry of any Restriction Period (at which time the Company will arrange for the Holding Lock to be removed).
- (g) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

7. Change of Control

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control³ and both the Company, the Acquiring Company and the Eligible Participant agree, an Eligible Participant may, in respect of any vested Awards that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Awards.

³ **Change of Control** means:

- (a) a bona fide Takeover Bid (as defined in the Corporations Act) is declared unconditional and the bidder has acquired a relevant interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.