

**Press Release**  
23 July 2018



## Updated mining permit awarded for Sanbrado Gold Project

Gold developer West African Resources Limited (ASX, TSXV: WAF) is pleased to report that the Council of Ministers of the Government of Burkina Faso has approved changes to the original mining permit for the Sanbrado Gold Project which encompass revised mining and ore processing methods detailed in the latest feasibility study announced on 22 June 2018. The updated mining permit approves changes to include underground mining in addition to open pit mining, and approves using the carbon in leach (CIL) processing method.

Receipt of the updated mining permit completes another key milestone for the Company and follows the government of Burkina Faso's environmental approval for the Sanbrado Gold Project in April 2018.

Managing Director Richard Hyde commented:

"We have now completed the major permitting milestones for the Sanbrado Gold Project."

"We thank the government of Burkina Faso and local stakeholders for their continued support.

"We are continuing to drill at M1 South and M5 and will release updated resource estimates and a Scoping Study investigating M5 underground potential by the end of Q3 2018.

We expect to appoint a banking syndicate to fund the majority of the project capital requirement by the end of Q4 2018."

### **Project Update**

#### *Project Finance*

The Company is continuing project finance discussions and has received strong interest from several groups including banks, debt funds and royalty companies. The Company expects to review detailed proposals from interested parties during Q3 2018 and appoint a syndicate to fund the majority of the capital required to build the project by the end of Q4 2018. While this process is being carried out, the Company continues to enhance the Sanbrado Project through drilling at M1 South and M5 and aims to release an updated resource for M1 South and a scoping study investigating the underground potential of M5 by the end of Q3 2018.

*Early Works*

Early construction works have started at the Sanbrado Gold Project with the excavation of a water storage pit, located within the stage 2 part of the M5 open pit, nearing completion (Photo 1). The water storage pit will capture surface run off water during the current wet season (July-September) and will hold about 150,000 cubic metres of water for use during project construction.

Earth works and services design for the initial construction camp is underway. The Company has purchased several converted sea containers that will provide accommodation and messing for up to 60 people during construction start- up.

**Photo 1: Water Storage Pit at M5**



*Permitting*

The Company recently updated the projects Resettlement Action Plan (RAP) following a census of all people living on the Sanbrado Mining Permit. All households within the boundaries of the Sanbrado Mining Permit were surveyed, along with all agricultural and pastoral lands providing the Company with a baseline of the pre-mining conditions on the mining permit. Not all households within the mining permit boundaries will be affected by the project, with resettlement limited to those people living within the boundaries of the project infrastructure zone.

In an effort to reduce the impact of the project on the host community the Company has examined several alternative infrastructure layouts resulting in the modification of the M5 waste dump and security zone. The optimised project layout reduces the impact on the host community and will result in

a significant reduction in compensation payments made by WAF. In total 704 people will be resettled by the Company resulting in the construction of some 120 new homes.

Company officials recently met with the Bureau National des Evaluations Environnementales (BUNEE) to discuss Terms of Reference for the Environmental and Social Impact Assessment (ESIA) for the water extraction point and pipeline from the Nakambe River located some 21km south of the project. No major issues were identified during the meeting. Field work for the ESIA has been completed with the final report expected to be lodged with the BUNEE in August. The water extraction point and pipeline route are not expected to have any significant impact on local communities with no relocation of local people required.

**Photo 2: Proposed Nakambe River Water Abstraction Area**



West African Resources is also pleased to report that the first classes graduated from the new schools built by the Company in the villages of Roulghin and Silmiougou in the Commune de Boudry near the project area. Both schools have recruited a full complement of students and are welcome additions to the communities.

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Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African’s ability to obtain funding; gold price fluctuations; recent market events and conditions; risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licenses and permits; risks related to their business being subject to environmental laws and regulations; risks related to their mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to their directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect West African’s forward-looking information. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information.

West African’s forward-looking information is based on the reasonable beliefs, expectations and opinions of their respective management on the date the statements are made, and West African does not assume any obligation to update forward looking information if circumstances or management’s beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to West African, please refer to West African’s financial statements and related MD&A, all of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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