

JUNE 2021 QUARTERLY REPORT

Key points

- No significant social, health, or safety incidents, and over 7 million hours worked LTI free
- Gold production increased by 14% to 63,610 ounces at an all-in sustaining cost of US\$928/oz
- Combined open-pit and underground mined ounces of 73,264 ounces were 24% above the prior quarter
- Unhedged gold sales of 56,852 ounces at an average price of US\$1,810/ounce
- A\$61m cash on hand and A\$24m (10,210 oz) of unsold gold bullion at end of quarter
- A\$62m operating cashflow in quarter, after payment of A\$25m of Burkina Faso CY2020 income tax
- US\$51m of Taurus debt repaid in quarter, reducing loan balance to US\$111m
- Notional net debt decreased by US\$19 million to US\$57 million
- Progress of Toega resource definition drilling and environmental studies remains on schedule
- Next quarter objectives:
 - Continue to increase gold production and reduce per-ounce costs
 - Release Toega resource definition drilling results

West African Executive Chairman and CEO Richard Hyde commented:

"The Sanbrado mine completed another record quarter with increased ounces and reduced costs, producing 64,000 ounces of gold at AISC of US\$928 per ounce.

"WAF generated A\$61m of operating cash flow after payment of A\$25m CY2020 Burkina Faso income tax, repaid US\$51m of Taurus debt, and held A\$61m cash and A\$24m in unsold bullion at the end of the quarter.

"West African remains on track to meet 2021 guidance of 250,000 to 280,000 ounces of gold production at AISC of US\$720 to US\$800 per ounce."

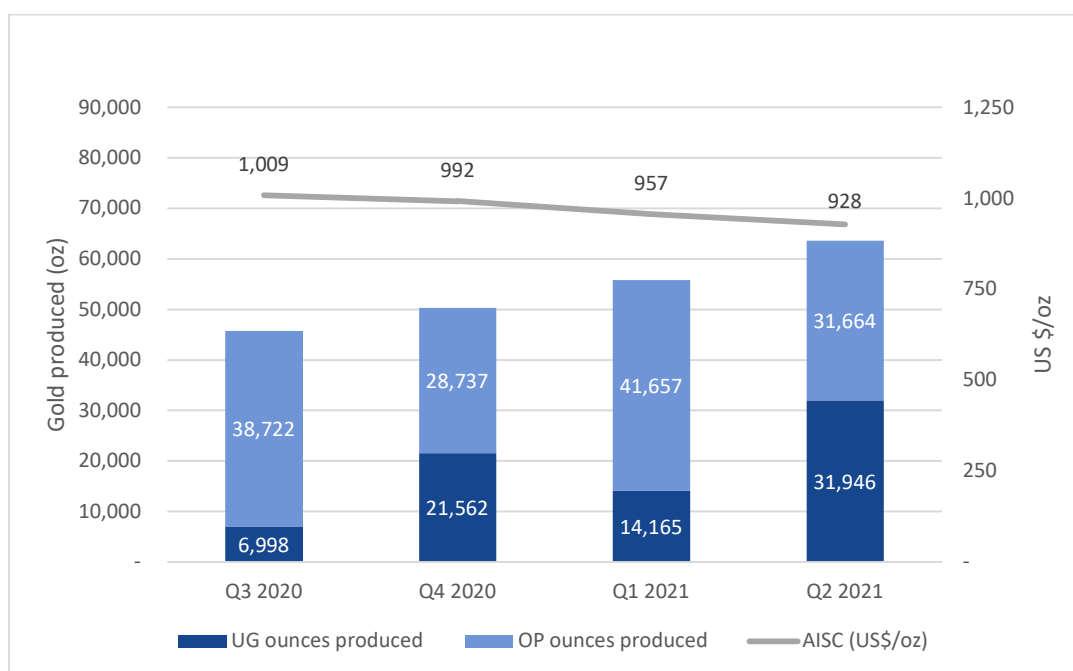
Overview

Unhedged gold mining company West African Resources Limited (ASX: WAF) is pleased to present its activity report for the quarter ended 30 June 2021 (Q2). Production is from the Company's 90% owned Sanbrado Gold Operations (Sanbrado), Burkina Faso.

Sanbrado's ramp-up progressed in Q2 with gold produced up 14% to 63,610 ounces. The all-in sustaining cost (AISC) per ounce decreased from US\$957 last quarter to US\$928 in Q2, while the gold sales price averaged US\$1,810/oz.

Gold production compared well versus the mine plan, and the Company remains on course to deliver guidance of 250,000 to 280,000 ounces gold in 2021.

The average AISC per ounce is expected to be at the higher end of the US\$720 to US\$800 2021 guidance range with higher plant maintenance and accelerated tailings and water storage expansions undertaken in H1 2021 to ensure continued strong and reliable plant performance into 2022 and beyond.



Operations

Health and safety

There were no significant health or safety incidents during the quarter. Sanbrado achieved over 7 million hours worked. The operation has now surpassed 27 months LTI free.

COVID-19

Continuous mining and milling operations were maintained at Sanbrado during Q2, with management having implemented measures to manage COVID-19 risks for the foreseeable future. The COVID-19 situation remained stable in Burkina Faso during Q2 with low numbers of daily infections in the country. The Company

is maintaining its vigilance in following health guidelines related to hygiene, masks, testing, monitoring, and isolation for staff, contractors, and site visitors.

In addition to our preventive measures at Sanbrado, our community relations team launched a COVID-19 education campaign to deliver to high school and college students over the next 12 months in the local region. This program complements the Company's ongoing health education campaigns on the primary illnesses and diseases present in the surrounding communities including malaria, hepatitis B, HIV/AIDS and as well as programs on family planning, women's health, and road safety.

Underground mining

Underground mining continued to ramp up during the quarter. Underground mined ounces were 116% higher than the previous quarter. Mined ore tonnes increased by 66% with the production cycle moving into continuous stoping ore production for the remainder of 2021. Ore grade was 10.1 g/t versus 7.7 g/t in the previous quarter. During the quarter 855m of underground development was completed versus 802m in the previous quarter. The decline was developed a further 182m in Q2, increasing the vertical depth by 26m to 341m below surface. Development of panel 2 was completed during the quarter which will enable more continuous production from two underground ore panels.

Open pit mining

Ounces mined from open pits were 8.8% below the previous quarter. Ore tonnes mined from the open pits increased by 3.8% on the previous quarter while grade reduced by 12% due to a higher proportion of oxide ore being mined as more fresh ore was supplied by the underground. ROM stockpile inventory increased by 11% versus the previous quarter.

Open pit mining during the quarter continued at the M5, M1 South and M1 North pits (refer to Figure 1). Construction of the tailings storage facility utilised waste material from the M5 pit. Combined open pit and underground mined ounces in Q2 of 73,264 oz were 24% above the previous quarter.

Processing

The process plant continued to deliver solid throughput and recoveries. Gold produced in Q2 was 63,610 ounces, a 14% increase on the previous quarter, from 737kt of ore with a blended head grade of 2.9 g/t and recovery of 94%. Mill throughput was 6.5% below the previous quarter due to the blend containing a higher proportion of fresh ore. The 22% higher gold grade mainly reflects a higher proportion of mill feed sourced from M1 South underground stoping ore. A maintenance shutdown and mill reline were also successfully completed in the quarter.

Capital

During the quarter work progressed on several significant sustaining capital projects. A pit slope radar monitoring system was purchased and commissioned as the open pits have progressed deeper. Construction of the aggregate crusher and cement batching plant to supply backfill for the underground stopes was largely completed. During the quarter the water storage facility walls were raised and lined increasing capacity by 50% to 3 million cubic metres, de-risking future processing water supply. Tailings storage earthworks were also accelerated to ensure sufficient capacity to meet the strong mill throughput performance project to date. Ongoing tailings dam wall lifts will continue in future quarters as capacity is required, however initial civil-works component have largely been completed. With the good progress made on these projects, a lower level of sustaining capital expenditure is expected in the second half of the year.

SANBRADO PHYSICALS	Unit	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YTD 2021
OP mining						
Total movement	BCM '000	2,459	2,659	2,441	2,290	4,731
Total movement	kt	6,209	6,673	6,475	5,851	12,326
Strip ratio	w:o	3.9	5.7	8.1	6.9	7.5
Ore mined	kt	1,264	1,003	711	738	1,449
Mined grade	g/t	1.3	1.3	1.9	1.7	1.8
Contained gold	oz	53,112	45,730	43,636	39,789	83,425
UG mining						
Ore mined	kt	23	67	62	104	166
Mined grade	g/t	10.7	10.3	7.7	10.1	9.2
Contained gold	oz	7,787	22,091	15,474	33,475	48,949
Processing						
Ore milled	kt	894	785	788	737	1,525
Head grade	g/t	1.7	2.1	2.3	2.9	2.6
Recovery	%	93.3%	94.5%	94.0%	94.0%	94.0%
Gold produced	oz	45,719	50,299	55,823	63,610	119,433
Gold poured	oz	45,338	50,389	55,585	63,520	119,104
Gold sold	oz	44,184	51,688	56,780	56,852	113,632
Ore stockpiles						
Stockpile ore	kt	722	999	984	1,088	
Stockpile grade	g/t	1.0	1.2	1.2	1.2	
Stockpile contained gold	oz	23,392	37,814	37,552	43,167	

Figure 1: Sanbrado Gold Operation Layout



Financial and corporate

Financial

The AISC per ounce continued its downtrend in the quarter to US\$928 reflecting lower all-in sustaining costs and gold ounces sold in-line with the previous quarter. Gold ounces sold in Q2 remained consistent with the previous quarter with 56,852 ounces sold at an average price of US\$1,810 per ounce. The Company remained unhedged and held 10,210 oz of unsold gold bullion at end of quarter.

Notional net debt measured in USD decreased by US\$19 million in Q2 to stand at US\$57 million at the end of the quarter. WAF repaid US\$51 million of Taurus debt in the quarter, paid US\$18.6 million of CY2020 Burkina Faso income tax, and made a US\$2 million distribution of CY2020 profit to the Burkina Faso government as 10% owner of SOMISA, WAF's in-country operating subsidiary.

WAF ended the second quarter in a healthy financial position with A\$61 million cash on hand, US\$18 million of unsold gold bullion, and strong cash generation from operating activities. Cash generated from operating activities was A\$62 million for the quarter after the payment of A\$25 million of Burkina Faso CY2020 income tax. Cash used in investing activities in Q2 of A\$18 million includes A\$2.8m of Toega feasibility expenditure. Cash used in financing activities of A\$78 million includes A\$67 million (US\$51m) of Taurus loan principal repayments in the quarter.

Corporate

WAF held its Annual General Meeting on 14 May 2021 and all resolutions were passed.

FINANCIAL SUMMARY (A\$'000)		Q3 2020	Q4 2020	Q1 2021	Q2 2021	YTD 2021
Gold revenue		115,413	135,873	132,317	133,682	265,999
OP mining cost		21,422	21,561	20,232	19,890	40,122
UG mining cost		2,874	6,202	6,211	7,504	13,715
Processing cost		10,893	13,737	12,254	15,524	27,778
Site administration cost		7,231	8,085	6,249	8,068	14,317
Change in inventory		(5,324)	(8,103)	295	(8,900)	(8,605)
Royalties & production taxes		8,833	8,134	7,721	8,414	16,135
Refining and by-product		240	(0)	(28)	15	(13)
Adjusted operating cost		46,169	49,614	52,934	50,514	103,448
Rehabilitation		273	305	421	491	911
Capital development ¹		8,709	12,113	9,917	8,237	18,155
Sustaining capex		4,755	4,772	4,293	5,711	10,004
Sustaining leases		645	1,103	1,148	1,532	2,680
Corporate & share-based payments		2,310	1,767	2,187	2,091	3,728
All-in sustaining cost		62,317	70,094	70,351	68,576	138,926
Exploration non-sustaining		551	668	1,596	3,061	4,656
Capex non-sustaining		-	-	-	1,494	1,494
All-in cost		62,868	71,035	71,946	73,130	145,076
Unit cost summary ²	Unit					
Adjusted operating cost	A\$/oz	1,045	960	932	889	910
All-in sustaining cost	A\$/oz	1,410	1,356	1,239	1,206	1,223
All-in cost	A\$/oz	1,423	1,369	1,267	1,286	1,277
Average sales price	A\$/oz	2,612	2,629	2,330	2,351	2,341
Average FX rate used	A\$/US\$	0.7151	0.7314	0.7723	0.7697	0.7710
Adjusted operating cost	US\$/oz	747	702	720	684	702
All-in sustaining cost	US\$/oz	1,009	992	957	928	943
All-in cost	US\$/oz	1,017	1,001	979	990	984
Average sales price	US\$/oz	1,868	1,923	1,800	1,810	1,805
Cash, bullion, and borrowings at quarter end						
Cash and cash equivalents	US\$m	73.5	73.1	71.2	45.1	
Bullion awaiting settlement	US\$m	12.3	10.4	23.9	18.0	
Project debt facility	US\$m	(200.0)	(175.0)	(161.9)	(110.8)	
Supplier loan facility	US\$m	(9.9)	(9.5)	(9.5)	(9.5)	
Notional net debt	US\$m	(124.1)	(101.0)	(76.3)	(57.2)	
Price used for bullion awaiting settlement		US\$1,850	US\$1,891	US\$1,691	US\$1,763	

Table notes:

1 Capital development includes underground capital development, open pit stripping, and capitalised reserve extension drilling.

2 'Adjusted operating cost', 'all-in sustaining cost' (AISC), and 'all-in cost' are performance metrics recommended by the World Gold Council and are calculated by ounce of gold sold.

Environmental Performance and Social Investment

The second quarter saw several milestones achieved across the Company's environmental and sustainability programs.

Environmental Performance

Areas of activity included:

- Improvement of waste management including construction of a new facility for waste sorting and recycling.
- Purchase of a new primary waste treatment plant (grey and black water) for use in dust suppression, irrigation of trees, and revegetation sites.
- Identification of fodder production areas within the perimeter of the Sanbrado Mine as part of the progressive rehabilitation program and livelihood restoration program.
- Development of a project specific greenhouse gas emissions program to allow estimation of the project's annual greenhouse gas emissions.
- Review of 2020 greenhouse gas emissions (Scope 1) against Australia's National Greenhouse and Energy Reporting scheme, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories and the GHG Protocol Corporate Standard. The 2020 emissions inventory show that the project was below the 100,000 tonnes CO₂-e threshold set out in the Equator Principles 4.
- Monthly environmental monitoring and measurement against Burkina Faso national emissions standards and World Health Organisation (air, water and noise).



Environmental monitoring near the Tailings Storage Facility



Environment team members conducting an audit

Social Investment

During the quarter WAF further demonstrated its commitment to promoting sustainable development and social responsibility to its communities by joining a multi-party forum for Corporate Social Responsibility in Burkina Faso's mining sector. Members and partners of the forum include the Burkina Faso Chamber of Mines, international and national NGOs including UNDP, UNIFEC, Afrique Jeunesse, embassies representing countries involved in private and public ventures and mining companies. In 2020 the mining sector contributed to more than 10% of Burkina Faso's GDP. WAF recognises the significance of its role in the local and national economy and looks forward to continuing its contributions in a targeted and effective manner.

WAF's social investment efforts and achievements for this quarter can be categorised as those falling under:

1. Livelihood restoration program aimed at people and communities whose livelihoods have changed or been affected by the Sanbrado project;
2. Activities WAF undertakes as part of its broader social investment program.

A Livelihood Restoration Working Group was formed in June 2020 and formalised by decree in February 2021 to oversee the implementation of the livelihood restoration program. The working group validated the agricultural and pastoral entitlement programs on 15 May 2021. This constituted a major milestone in advancing the livelihood restoration program and paves the way for the Company to put its pilot projects, extensive consultation, and the research into action. The working group consists of a male and female representative from each of the 14 project affected communities.



Livelihood Restoration Working Group entitlements validation meeting, May 15, 2021

Following validation of the program, contracts for implementing them with partners have been signed, primarily with national NGOs that have the technical and cultural expertise to manage programs on the ground. The implementing partners will help not only in the day-to-day implementation and management of the programs, but also assist with the ownership transition to the affected community. The agricultural and pastoral entitlement programs include:

- Construction of 8 livestock watering points, including solar powered pumping systems
- Design and construction of market gardens
- Provision of harvesting and conservation equipment and training
- Fodder production training
- Soil improvement program
- Access to and cultivation of improved rainfed seed varieties
- Establishment of farmers and herders cooperatives in each quadrant of the surrounding project area to manage the programs.



Soil improvement program in preparation for wet season



Construction of livestock watering point

WAF's targeted social investment projects have included a number of workshops and training administered to our communities in collaboration with local organisations, including:

- Construction three of schools, solar power installation at five schools and construction of community infrastructure in the local region
- Community workshops for women in cloth weaving and soap manufacture
- Trade training programs and provision of tools to over 30 local, youth formerly involved in illegal artisanal mining



Awards ceremony for completion of weaving workshop



Colourful cloth dyed by the program graduates

Growth

Toega

The Toega feasibility studies and permitting work progressed well during Q2. Diamond and RC resource definition drilling was largely completed by the end of the quarter. Drilling results are expected to be reported in mid Q3 2021. Environmental and social studies advanced with the collection of dry season baseline data and commencement of wet season aquatic and water studies. ESIA studies for the Toega mine area and haul routes are on schedule to be submitted to Burkina Faso authorities in Q4 2021.

Exploration

Exploration at the Comoe project in the west of Burkina Faso at the Mankarga V3 (V3) permit 5km northwest of Sanbrado have been halted for the wet season. Results from the auger programs completed to date are expected by the end of Q3 2021.

This announcement was authorised for release by Mr Richard Hyde, Executive Chairman and CEO.

Further information is available at www.westafricanresources.com

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Summary of Tenements in Burkina Faso as at 30 June 2021

Summary of Tenements in Burkina Faso								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
Goudré*	Wura Resources Pty Ltd SARL	100%	No 2018-186/MMC/SG/DGCM	05/09/2018	23/03/2021	EL	175	Ganzourgou Province
Manessé II	Tanlouka SARL	100%	N2020-254/MMC/SG/DGCM	13/11/2020	12/11/2023	EL	86.87	Ganzourgou Province
Bollé*	Wura Resources Pty Ltd SARL	100%	No 17 – 223//MMC/SG/DGCM	21/11/2017	20/11/2020	EL	205.5	Ganzourgou Province
Diakora*	Jean Donessoune ⁺	100%	No 2017-140/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	58.66	Comoe Province
Dounougou*	Jean Donessoune ⁺	100%	No 2017-139/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	132.57	Comoe Province
Tieradeni I*	Jean Donessoune ⁺	100%	No 2017-138/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	141.5	Comoe Province
Nakomgo*	Kiaka Gold SARL ⁺	100%	No 2017-179/ MMC/SG/DGCM	24/10/2017	23/10/2020	EL	249.19	Bazega and Ganzourgou Provinces
Mankarga V3	Jacques Teegawèndé Zongo ⁺	100%	No 2020-170/ MMC/SG/DGCM	16/07/2020	15/07/2023	EL	52.595	Ganzourgou Province
Woura	Steven Lewis Pingdwende Kinda ⁺	100%	No. 2019-101/MMC/SG/DGCM	29/05/2019	28/05/2022	EL	237.81	Zoundweogo and Boulgou Provinces
Bola	Wend-Dinmadegre Narcisse Kabore ⁺	100%	No 2019-55/MMC/SG/DGCM	15/05/2019	14/05/2022	EL	202.027	Zoundweogo and Boulgou Provinces
Koudre II	Kalilou Ghislain Diasso ⁺	100%	No 2019-187/MMC/SG/DGCM	04/11/2019	03/11/2022	EL	91.046	Zoundweogo Province
Sanbrado	SOMISA (Societe Des Mines De Sanbrado SA)	90%	Décret No 2017 – 104/PRES/PM/MEMC/MINEFID/MEEVCC Arrêté No 2018-139/MMC/SG/DGMG	13/03/2017	12/03/2024	ML	25.9	Ganzourgou Province

* Renewals pending with the Dept of Mines and Quarries
⁺ WAF earning 100%

Competent Person's Statement

Information in this announcement that relates to mineral resources (excluding M1 South Deep) is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, an independent consultant specialising in mineral resource estimation, evaluation, and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wolfe has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to mineral resources for the M1 South Deep is based on, and fairly represents, information and supporting documentation prepared by Mr Neil Silvio, an employee and Resource Geologist of the Company. Mr Silvio is a Member of the Australian Institute of Geoscientists. Mr Silvio has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Silvio has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to open pit ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Cruickshanks, a fulltime employee of the Company. Mr Cruickshanks is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Cruickshanks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cruickshanks has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to underground ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Andrew Fox, an independent specialist mining consultant. Mr Fox is a Member of the Australian Institute of Mining and Metallurgy. Mr Fox has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fox has reviewed the contents of this announcement and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Forward Looking Information

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of the Company, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of the Company that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

Production Targets

The first 3 years of the production target is based on 100% ore reserves. Thereafter, the production target is based on a combination of ore reserves and Inferred Mineral Resources. Overall, the production target is based 54 % Reserves and 46 % Inferred Mineral Resources. Approximately 20 % of the production target is based on Inferred Mineral Resources from the Toega deposit where further resource definition drilling is in progress and scheduled for completion by the end of 2021. Approximately 26 % of the production target is based on Inferred Mineral Resources located beneath Reserves at the M1 South Deposit. Infill drilling from underground on this mineralisation is scheduled to commence in late 2021. The first three years of the schedule (to the end of 2023) are based solely on Proved and Probable Reserves. Potential production from Toega and M1 South Inferred Mineral Resources are not significant in the early years of the 13-year mine life and are not determinative of the project viability.

An Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource and there is no certainty that further exploration work will result in the conversion of the material into an Indicated Mineral Resource or that the production target based on the Inferred Mineral Resource will be realised and if so, to what extent. Potential production from Toega and M1 South Inferred Mineral Resources are not significant in the early years of the currently estimated 13 year mine life and are not determinative of the project viability.

The stated production target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish further confidence that this target will be met.