

SEPTEMBER 2021 QUARTERLY REPORT

- No significant social, health, or safety incidents, and over 8.7 million hours worked LTI free
- Gold production up 29% to 81,960 ounces at an all-in sustaining cost of US\$690 per ounce
- Combined open-pit and underground production up 32% to 93,360 mined ounces
- Unhedged gold sales of 95,070 ounces at an average price of US\$1,789 per ounce
- Notional net debt reduced by US\$65m, positive net cash position of US\$8m
- A\$110m of operating cashflow generated during the quarter
- A\$130m cash on hand and A\$23m in unsettled gold bullion at quarter-end
- Additional US\$28m of debt paid post quarter-end, reducing current Taurus loan balance to US\$65m
- Next quarter objectives:
 - Continue to increase gold production and reduce per-ounce costs
 - Progress Toega feasibility studies and submit ESIA and RAP to Burkina authorities
 - Continue accelerated debt repayments

West African Executive Chairman and CEO Richard Hyde commented:

“The Sanbrado mine completed another record quarter with increased ounces and reduced costs, producing 82,000 ounces of gold at AISC of US\$690 per ounce.”

“WAF generated A\$110m of operating cash flow, repaid A\$25m of Taurus debt, and held A\$130m cash and A\$23m in unsettled bullion at the end of the quarter.”

“The Company continues to accelerate Taurus debt repayments with an additional US\$28m repaid post quarter-end.”

“West African expects to exceed the upper end of 2021 guidance of 280,000 ounces of gold production at AISC below US\$800 per ounce.”

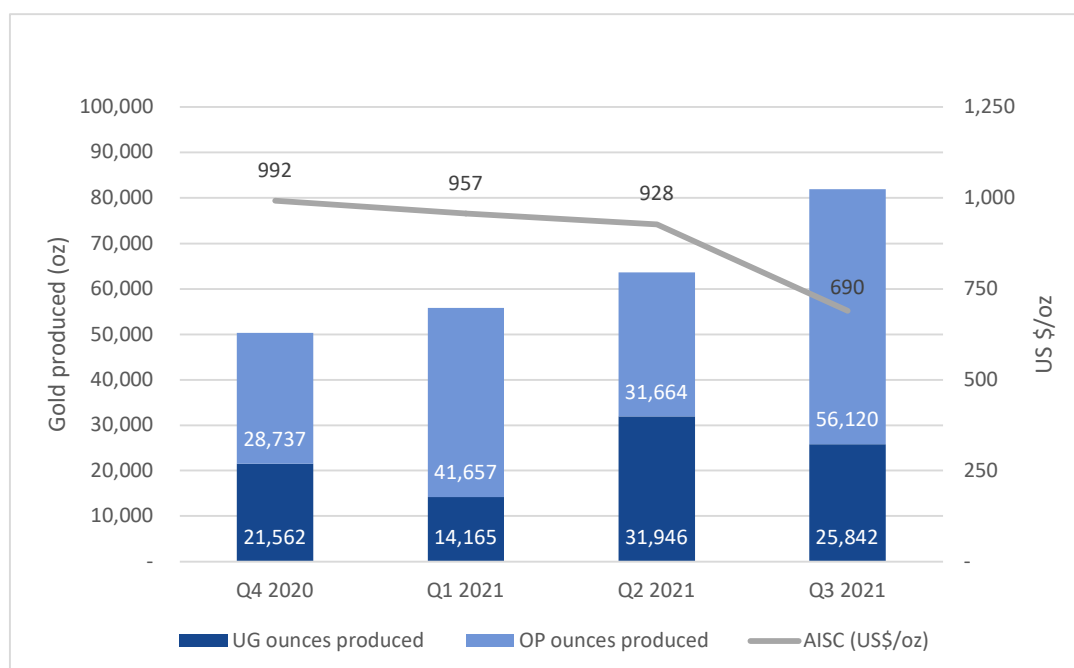
Overview

Unhedged gold mining company West African Resources Limited (ASX: WAF) is pleased to present its activity report for the quarter ended 30 September 2021 (Q3). Production is from the Company's 90% owned Sanbrado Gold Operations (Sanbrado), Burkina Faso.

Sanbrado's ramp-up progressed in Q3 with gold produced up 29% to 81,962 ounces. The all-in sustaining cost (AISC) per ounce decreased from US\$928 last quarter to US\$690 in Q3, while the gold sales price averaged US\$1,789 per ounce.

Gold production compared well versus the mine plan, and the Company now expects annual gold production for Sanbrado to exceed the 2021 guidance range of 250,000 to 280,000 ounces of gold.

The 2021 average AISC per ounce is expected to be at the upper end of the US\$720 to US\$800 guidance range.



Operations

Health and safety

There were no significant health or safety incidents during the quarter. Sanbrado achieved over 8.7 million hours worked. The operation has now surpassed 30 months LTI free.

COVID-19

Continuous mining and milling operations were maintained at Sanbrado during Q3, with management having implemented measures to manage COVID-19 risks for the foreseeable future. The COVID-19 situation remained stable in Burkina Faso during Q3 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 mined ounces were 16% lower than the previous quarter. Mined ore tonnes decreased by 16%. Ore grade was 10.0 g/t in line with the previous quarter. During the quarter 681m of underground development was completed versus 855m in the previous quarter. The decline was developed a further 191m in Q3, increasing the vertical depth by 27m to 368m below surface.

Open pit mining

Ounces mined from open pits were 72% above the previous quarter. Ore tonnes mined from the open pits increased by 48% on the previous quarter while grade increased by 16% largely driven by grade from M1 South, compared to the June quarter 2021. ROM stockpile inventory (ounces) increased by 22% versus the previous quarter.

Open pit mining during the quarter continued at the M5, M1 South and M3 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 Q3 were 31% above the previous quarter at 96,385 ounces.

Processing

The process plant continued to deliver solid throughput and recoveries. Gold produced in Q3 was 81,962 ounces, a 29% increase on the previous quarter, from 834kt of ore with a blended head grade of 3.2 g/t and recovery of 95%. Mill throughput was 13% above the previous quarter with additional oxide ore being fed in Q3. The 13% higher head grade mainly reflects the increased mill feed component of high-grade ore sourced from the M1 South open pit.

Capital

As flagged last quarter, Q3 saw a lower level of sustaining capital spent with the water storage dam lifts, aggregate crusher installation, and accelerated tailings storage construction capital projects largely completed. Tailings storage facility works however continued at a reduced rate during the quarter utilising waste material from the M5 open pit.

SANBRADO PHYSICALS	Unit	Q4 2020	Q1 2021	Q2 2021	Q3 2021	YTD 2021
OP mining						
Total movement	BCM '000	2,659	2,441	2,290	2,332	7,063
Total movement	kt	6,673	6,475	5,851	5,741	18,067
Strip ratio	w:o	5.7	8.1	6.9	4.3	6.1
Ore mined	kt	1,003	711	738	1,090	2,538
Mined grade	g/t	1.3	1.9	1.7	1.9	1.9
Contained gold	oz	45,730	43,636	39,789	68,303	151,728
UG mining						
Ore mined	kt	67	62	104	87	253
Mined grade	g/t	10.3	7.7	10.1	10.0	9.5
Contained gold	oz	22,091	15,474	33,475	28,055	77,003
Processing						
Ore milled	kt	785	788	737	834	2,359
Head grade	g/t	2.1	2.3	2.9	3.2	2.8
Recovery	%	94.5%	94.0%	94.0%	94.6%	94.2%
Gold produced	oz	50,299	55,823	63,610	81,962	201,395
Gold poured	oz	50,389	55,585	63,520	82,131	201,235
Gold sold	oz	51,688	56,780	56,852	95,067	208,699
Ore stockpiles						
Stockpile ore	kt	999	984	1,088	1,430	
Stockpile grade	g/t	1.2	1.2	1.2	1.1	
Stockpile contained gold	oz	37,814	37,552	43,167	52,636	

Financial

The Company's Q3 AISC per ounce of US\$620 was a further improvement on the previous quarter. WAF sold 95,067 gold ounces in Q3 an average price of US\$1,789 per ounce and remains unhedged.

Cash generated from operating activities in the quarter was A\$110 million. Cash used in investing activities was A\$10 million, which includes A\$3 million of Toega feasibility expenditure. Cash used in financing activities was A\$32 million, which includes A\$25 million (US\$18 million) of Taurus loan principal repayments that reduced the Taurus loan balance to US\$93 million at the end of Q3.

Notional net debt decreased by US\$65 million and WAF ended the quarter in a positive notional net cash position of US\$8 million, which includes A\$130 million of cash on hand and 9,375 ounces of unsettled gold bullion.

Post quarter-end WAF repaid an additional US\$28 million to Taurus, which lowered the Taurus loan balance to \$65 million as at the date of this announcement.

Figure 1: Sanbrado Gold Operation Layout



FINANCIAL SUMMARY (A\$'000)		Q4 2020	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Gold revenue		135,873	132,317	133,682	229,767	495,766
OP mining cost		21,561	20,232	19,890	23,344	63,466
UG mining cost		6,202	6,211	7,504	10,081	23,795
Processing cost		13,737	12,254	15,524	16,246	44,024
Site administration cost		8,085	6,249	8,068	7,893	22,209
Change in inventory		(8,103)	295	(8,900)	7,122	(1,483)
Royalties & production taxes		8,134	7,721	8,414	12,098	28,233
Refining and by-product		(0)	(28)	15	(34)	(48)
Adjusted operating cost		49,614	52,934	50,514	76,749	180,198
Rehabilitation		305	421	491	768	1,679
Capital development ¹		12,113	9,917	8,237	5,747	23,901
Sustaining capex		4,772	4,293	5,711	2,085	12,089
Sustaining leases		1,103	1,148	1,532	1,106	3,786
Corporate & share-based payments		1,767	2,187	2,091	2,200	5,929
All-in sustaining cost		70,094	70,351	68,576	88,656	227,582
Exploration non-sustaining		668	1,596	3,061	2,785	7,442
Capex non-sustaining		-	-	1,494	1,377	2,871
All-in cost		70,761	71,946	73,130	92,818	237,894
Unit cost summary ²	Unit					
Adjusted operating cost	A\$/oz	960	932	889	807	863
All-in sustaining cost	A\$/oz	1,356	1,239	1,206	933	1,090
All-in cost	A\$/oz	1,369	1,267	1,286	976	1,140
Average sales price	A\$/oz	2,629	2,330	2,351	2,417	2,376
Average FX rate used	A\$/US\$	0.7314	0.7723	0.7697	0.7400	0.7589
Adjusted operating cost	US\$/oz	702	720	684	597	655
All-in sustaining cost	US\$/oz	992	957	928	690	828
All-in cost	US\$/oz	1,001	979	990	722	865
Average sales price	US\$/oz	1,923	1,800	1,810	1,789	1,803
Cash, bullion, and borrowings at quarter end						
Cash and cash equivalents	US\$m	73.1	71.2	45.1	94.0	
Bullion awaiting settlement	US\$m	10.4	23.9	18.0	16.3	
Project debt facility	US\$m	(175.0)	(161.9)	(110.8)	(92.9)	
Supplier loan facility	US\$m	(9.5)	(9.5)	(9.5)	(9.5)	
Notional net debt	US\$m	(101.0)	(76.3)	(57.2)	7.9	
Price used for bullion awaiting settlement		US\$1,891	US\$1,691	US\$1,763	US\$1,743	

Table notes:

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

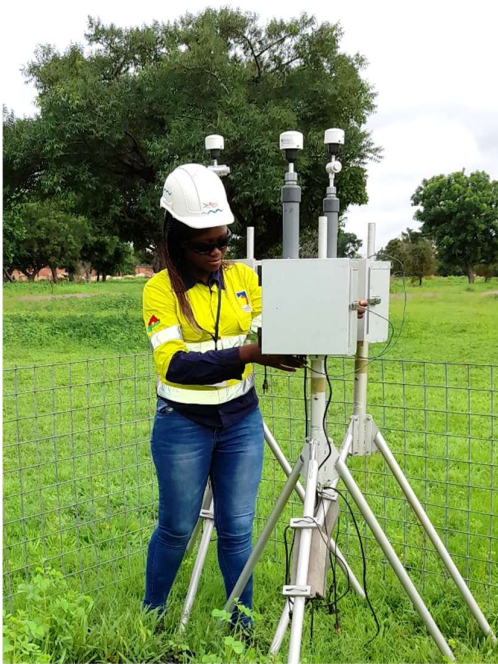
2 'Adjusted operating cost', 'all-in sustaining cost' (AISC), and 'all-in cost' are performance metrics recommended by the World Gold Council and are calculated by ounce of gold sold.

Environmental Performance and Social Investment

Environmental Performance

Areas of activity during the quarter included:

- Ongoing environmental monitoring for air quality, noise and vibration, surface and groundwater quality, metalliferous acid generating potential and greenhouse gas emissions. Samples are analysed against national pollutant criteria and relevant international guidelines.
- Site wide waste segregation program launched to separate recyclables, compostable and landfill materials.
- Collaboration with the Community Relations Department on community tree planting programs and seed nursery.



Social Investment

The Company aligns its social investment programs with the IFC Performance Standards and ICMM Principle 9 Social Performance. Activities during the quarter included:

- Completing the socio-economic baseline update study;
- Training to staff and contractors on Voluntary Principles on Security and Human Rights;
- Launch of 4 irrigated market gardens, including training in vegetable production and donation of cropping equipment;
- Launch of 8 solar powered livestock watering points;
- Skills training workshops in partnership with NGO INERA in fodder production and preservation, and planning construction of grain and hay storage facilities;
- Assisting women participating in the microcredit program with opening bank accounts and financial literacy training.



Growth

Toega

The Toega feasibility studies and permitting work progressed well during Q3. Diamond and RC resource definition drilling was completed early in the quarter with resource definition drilling confirming the geological model at Toega deposit. Extensive gold mineralisation was confirmed in the main zone, up to 150m wide and 200m deep with NAK21-DD014 returning 79m at 2 g/t Au from 70m and 56m at 1.6 g/t Au from 159m. Significant results from the Toega resource definition drilling included;

- 79m at 2 g/t gold & 56m at 1.6 g/t gold
- 22m at 5 g/t gold
- 42m at 2.4 g/t gold
- 29m at 3.4 g/t gold
- 41m at 2.3 g/t gold

During the quarter the Company reported that the Toega feasibility study is progressing well and focussing on the key areas including resource definition drilling and resource upgrade, geotechnical and metallurgical studies as well as advancing environmental and social studies. The Toega feasibility will be reported along with the Company's annual resource and reserve statement in Q1 2022. Further information is located in the announcement released to the ASX on 8/9/2021.

M1 South

During the quarter West African reported that exploration drilling from the 2025mRL level (275m bsl) at the M1 South Deposit intercepted high-grade gold in the northern shoot at the M1 South gold deposit. High grade results included:

- M1SRD_0185: 1m at 8.5 g/t Au from 126m
- M1SRD_0189: 3m at 12.2 g/t Au from 226m
 - and 3m at 18.4 g/t Au from 246m
 - and 2m at 82.7 g/t Au from 282m
- M1SRD_0190: 10.5m at 6.6 g/t Au from 224.5m

The new results are in addition to historic drilling beneath the northern part of the M1 South open pit M1 South open pit including:

- **TAN16-DD052:** 4m at 29.9 g/t Au from 122m
 - and 4m at 38.9 g/t Au from 172m
- **TAN16-DD077A:** 11m at 7.9 g/t Au from 279m
 - and 10m at 5.3 g/t Au from 293m
- **TAN17-DD172A:** 0.5m at 34.1 g/t Au from 316m

Mapping and grade control data from the northern portion of the M1 South open pit shows discrete zones of high-grade gold mineralisation, which correlate well with the new and historical drilling results. The company will complete infill drilling below the 2025mRL during Q4. In-drive infill drilling above the 2025mRL is planned for Q2 2022 once an additional underground development has been completed. Further information is located in the announcement released to the ASX on 17/8/2021.

Regional Exploration

No exploration was undertaken during the quarter due to the wet season.

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 September 2021

Summary of Tenements in Burkina Faso								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Type	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 Teegawêndé 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 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.