

DECEMBER 2021 QUARTERLY REPORT

- No significant social, health, or safety incidents, and over 9.8 million hours worked LTI free
 - Gold produced in Q4 up 7% to 87,324 oz at an all-in sustaining cost of US\$721/oz
 - Combined open-pit and underground mined oz in Q4 were consistent with prior quarter at 94,659 oz
 - Unhedged gold sales of 86,516 oz in Q4 at an average price of US\$1,812/oz
 - Annual 2021 guidance achieved, with gold production of 288,719 oz at an average AISC/oz of US\$796
 - A\$139 million of operating cashflow generated with A\$183 million cash on hand at the end of Q4
 - Notional net cash increased by US\$129 million to be US\$137 million at quarter end
 - Acquisitions of Kiaka (6.8Moz Resource) and Toega (1.3Moz Resource) were completed
 - Taurus debt and offtake fee arrangements were fully repaid
 - A\$126 million equity placement and A\$10 million share purchase plan were completed
 - Next quarter objectives:
 - Progress Kiaka feasibility study and ESIA updates, and commence mobilisation of site early works
 - Publish Toega feasibility study results and submit ESIA and RAP to Burkina authorities
 - Publish annual gold Reserve & Resource update and 2022 Company guidance
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West African Executive Chairman and CEO Richard Hyde commented:

“Sanbrado had another outstanding quarter, producing a record 87,320 ounces at an all-in sustaining cost of US\$721/oz in Q4 and reaching full year 2021 production guidance with a record 288,719 gold ounces produced at an average AISC/oz of US\$796 versus the upper guidance of 280,000 ounces at an AISC/oz of US\$800.”

“With our acquisition of the advanced Kiaka gold project WAF aims to be a +400,000 ounce per year producer by 2025.”

“With the repayment of Taurus, WAF has no senior debt and ended the quarter with a positive net cash position of US\$137 million.”

Overview

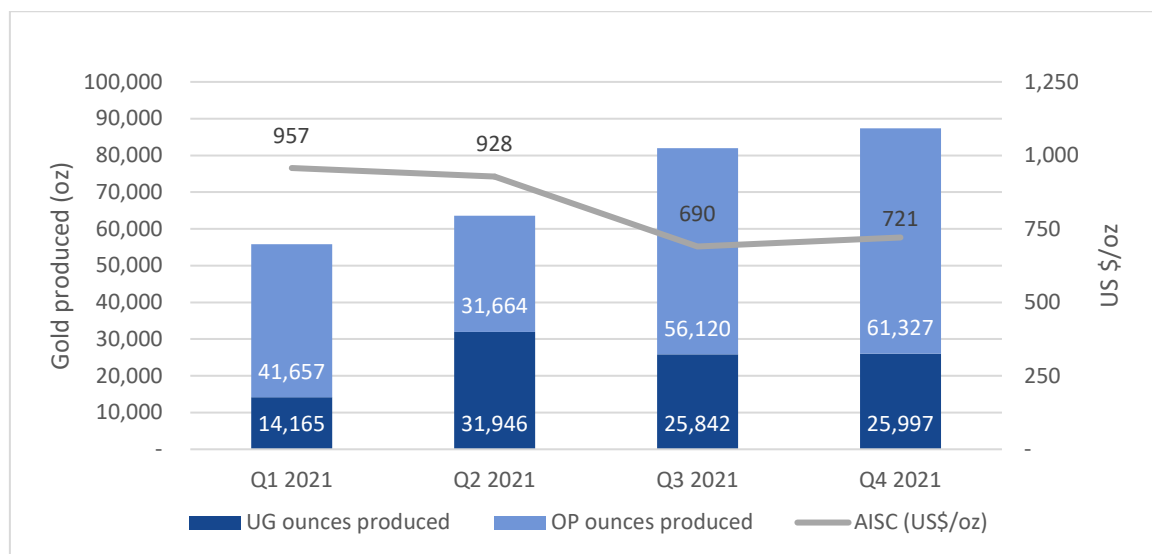
Unhedged gold mining company West African Resources Limited (ASX: WAF) is pleased to present its activity report for the quarter ended 31 December 2021 (Q4).

Sanbrado

Production is from the Company's 90% owned Sanbrado Gold Operations (Sanbrado), Burkina Faso.

Gold production in Q4 was up 7% to 87,324 ounces, resulting in a record annual gold production in 2021 of 288,719 ounces, exceeding the Company's annual guidance of 250,000 to 280,000 ounces.

The all-in sustaining cost (AISC) per ounce in Q4 increased 4.4% to US\$721, bringing the 2021 full-year AISC/oz to US\$796 and within guidance of US\$720 to US\$800. The Company's gold sales price/oz averaged US\$1,812 in Q4 and US\$1,808 for the year.



Kiaka and Toega acquired

The Kiaka (6.8Moz gold Resource) and Toega (1.3Moz gold Resource)¹ acquisitions were completed with all closing consideration paid in the quarter. With the expected additional production from Kiaka and Toega, WAF aims to be a +400,000oz per year gold producer by 2025.

Taurus facility repaid

During the quarter WAF paid US\$109.5 million to Taurus to fully repay the Taurus debt and gold offtake fee arrangement that were part of the 2019 funding package for the construction of Sanbrado.

Equity placement and SPP

WAF raised A\$136 million (before costs) in the quarter from an equity placement of 101,000,000 Shares at an issue price of \$1.25 per Share to institutional and sophisticated investors and the issue of 8,000,000 Shares under a Share Purchase Plan (SPP) at an issue price of \$1.25 per share.

¹ For further details of Kiaka please refer to the announcement released on 26 October 2021 entitled "West African Resources to Acquire 6.8Moz Kiaka Gold Project, Equity Raising up to A\$126.39m to Fund Acquisition and Repay Taurus Debt". For further details of Toega please refer to the announcement released on 9 March 2021 entitled "West African set for +10 years of +200,000oz average gold production". The Company is not aware of any new information or data that materially affects the information included in the announcements, and all material assumptions continue to apply and have not materially changed.

Operations

Health and safety

There were no significant health or safety incidents during the quarter. Sanbrado has achieved over 9.7 million hours worked and 33 continuous months LTI free.

COVID-19

Continuous mining and milling operations were maintained at Sanbrado during Q4, with management having implemented measures to manage COVID-19 risks for the foreseeable future. The COVID-19 situation remained stable in Burkina Faso during Q4 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 is delivering COVID-19 education programs to high school and college students 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 29% higher than the previous quarter. Mined ore tonnes increased by 37%. Ore grade of 9.5 g/t was slightly lower than the previous quarter. During the quarter 818m of underground development was completed versus 681m in the previous quarter. The decline was developed a further 119m in Q4, increasing the vertical depth by 17m to 385m below surface.

Open pit mining

Ounces mined from open pits were 15% below the previous quarter. Ore tonnes mined from the open pits decreased by 10% on the previous quarter while grade decreased by 5% largely driven by less ore mined during the quarter due to higher grade underground ore displacing open pit feed. ROM stockpile inventory (ounces) increased by 5% versus the previous quarter.

Open pit mining during the quarter continued at the M5, M1 South and M1 North Pits (refer to Figure 1). The Construction of the tailings storage facility utilised waste material from the M5 pit.

Combined open pit and underground mined ounces in Q4 were 2% below the previous quarter at 94,659 ounces.

Processing

The process plant continued to deliver solid throughput and recoveries. Gold produced in Q4 was 87,324 ounces, a 7% increase on the previous quarter, from 796kt of ore with a blended head grade of 3.6 g/t and recovery of 95%. Mill throughput was 5% below the previous quarter reflecting a higher proportion of fresh ore being fed during the quarter. The 11% higher head grade mainly reflects the increased mill feed component of high-grade ore sourced from the M1 South open pit and underground.

Capital

The sustaining capital spend was consistent with the previous quarter. Capital development expenditure was higher than the previous quarter mainly due to the accounting treatment of increased open pit waste movement on the pit wall of M5 South.

SANBRADO PHYSICALS	Unit	Q1 2021	Q2 2021	Q3 2021	Q4 2021	YTD 2021
OP mining						
Total movement	BCM '000	2,441	2,290	2,332	2,363	9,426
Total movement	kt	6,475	5,851	5,741	6,071	24,138
Strip ratio	w:o	8.1	6.9	4.3	5.2	5.9
Ore mined	kt	711	738	1,090	979	3,518
Mined grade	g/t	1.9	1.7	1.9	1.9	1.9
Contained gold	oz	43,636	39,789	68,303	58,404	210,132
UG mining						
Ore mined	kt	62	104	87	119	372
Mined grade	g/t	7.7	10.1	10.0	9.5	9.5
Contained gold	oz	15,474	33,475	28,055	36,256	113,259
Processing						
Ore milled	kt	788	737	834	796	3,155
Head grade	g/t	2.3	2.9	3.2	3.6	3.0
Recovery	%	94.0%	94.0%	94.6%	95.1%	94.5%
Gold produced	oz	55,823	63,610	81,962	87,324	288,719
Gold poured	oz	55,585	63,520	82,131	86,383	287,619
Gold sold	oz	56,780	56,852	95,067	86,516	295,215
Ore stockpiles						
Stockpile ore	kt	984	1,088	1,430	1,733	
Stockpile grade	g/t	1.2	1.2	1.1	1.0	
Stockpile contained gold	oz	37,552	43,167	52,636	55,525	

Financial and corporate

The AISC per ounce of US\$721 in Q4 was slightly higher than Q3. The 2021 full year AISC per ounce of US\$796 was within the Company's guidance range of US\$720 to US\$800.

WAF sold 86,516 gold ounces in Q4 an average price of US\$1,812 per ounce, bringing 2021 full year gold sales to 295,215 ounces at an average price of US\$1,808.

WAF had a cash balance of A\$183 million at the end of Q4 versus A\$130 million at the end of Q3. Cash generated from operating activities in the quarter was A\$139 million. Cash used in investing activities was A\$64 million, which includes A\$53 million paid to B2Gold and GAMS for the acquisition of Kiaka and Toega (refer to below to 'Kiaka and Toega acquisitions'). Cash used in financing activities was A\$20 million, which includes A\$136 million of cash inflows from the issue of shares (refer below to 'Capital raisings') and a A\$150 million of outflows to repay the remaining Taurus debt and offtake fee arrangement (refer below to 'Taurus debt facility extinguished').

Notional net cash increased by US\$129 million in Q4. WAF ended the quarter with notional net cash of US\$137 million, which represents US\$133 million of cash on hand plus 7,362 ounces of unsettled gold bullion less US\$9.5 million of loans from suppliers.

Kiaka and Toega acquisitions

During the quarter closing occurred under the share purchase agreements (SPAs) for the acquisitions of:

- 90% of the Kiaka Gold Project (Kiaka) from B2Gold Corp (B2Gold) and their partner, GAMS-Mining F&I Ltd ('GAMS'), with the remaining 10% held by the State of Burkina Faso; and
- 100% interest in Kiaka Gold SARL, an exploration company incorporated in Burkina Faso that holds the Nakomgo Exploration Permit on which the Toega Project is located.

The following consideration in relation to the acquisitions was delivered in the quarter:

- US\$38 million cash consideration was paid (US\$31.95m to B2Gold and US\$6.05m to GAMS);
- US\$27.5 million in WAF ordinary shares (Shares) were issued (22,190,508 to B2Gold and 4,931,224 to GAMS);
- US\$45 million promissory note was issued to B2Gold for payment in cash or Shares (subject to shareholder approval), at the election of B2Gold; and
- Executed copies of royalty agreements were provided to B2Gold and GAMS for capped royalties payable on gold production from Kiaka and Toega.

Further background on the transaction is contained in the announcement released on 26 October 2021.

The Company is holding an Extraordinary General Meeting (EGM) on 1 February 2022 at which shareholder approval will be sought for the issue of Shares to B2Gold in relation to settlement of the US\$45 million promissory note. Refer to the Notice of Meeting released to ASX on 29 December 2021 for further details of the EGM.

Capital raisings

The Company announced on 26 October 2021 that it was undertaking a placement of up to 101,112,000 Shares at an issue price of \$1.25 per Share (Placement) in two tranches:

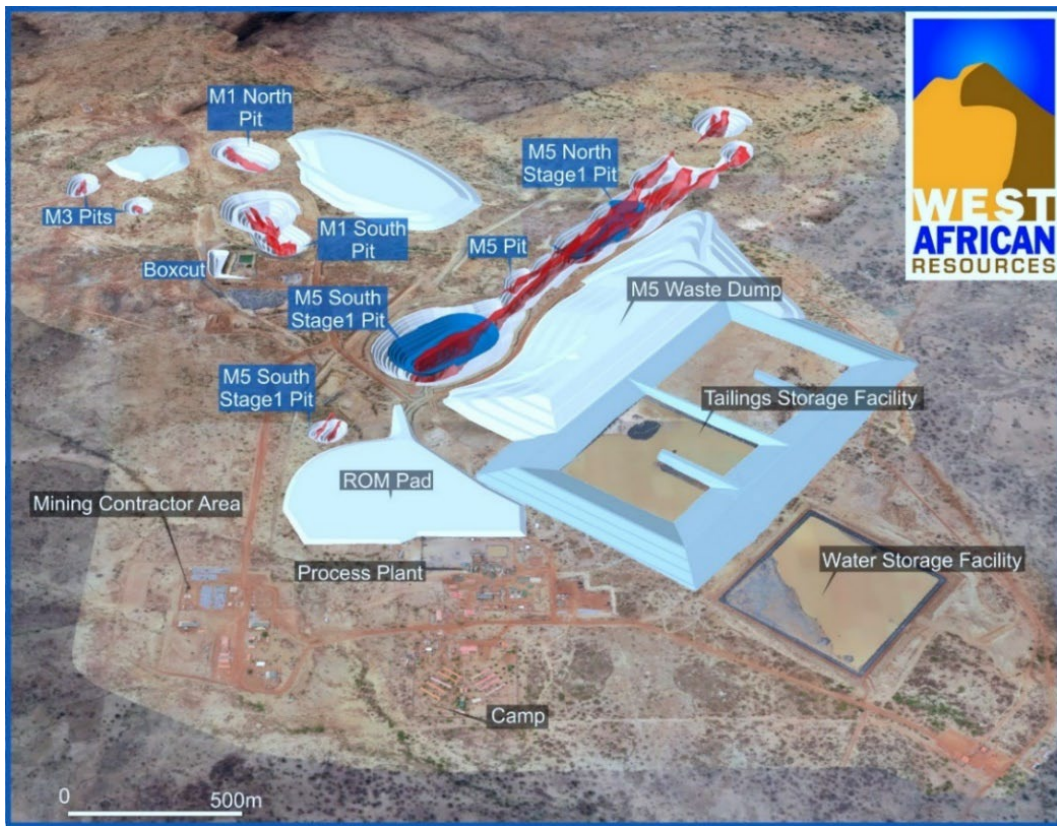
- a) the first tranche of the Placement (Tranche 1 Placement) comprised a total of 101,000,000 Shares which were issued on 4 November 2021, using the Company's capacity under Listing Rule 7.1; and
- b) the second tranche of the Placement (Tranche 2 Placement) comprises a total of up to 112,000 Shares to be issued subject to the Company obtaining Shareholder approval under Listing Rule 10.11, which is being sought at the EGM. The Company's Directors, Messrs Rod Leonard, Nigel Spicer and Stewart Findlay intend to subscribe for shares under the Tranche 2 Placement on the same terms as the shares issued under the Tranche 1 Placement.

The Company also announced on 29 November 2021 the closing of a non-underwritten Share Purchase Plan (SPP) that provided eligible shareholders with the opportunity to each apply for up to A\$30,000 worth of Shares at the same price as Shares issued under the above Tranche 1 Placement. The SPP raised A\$10 million (before costs) with 8,000,000 Shares being issued at a price of A\$1.25 per Share.

Taurus debt facility extinguished

During the quarter WAF paid US\$109.5 million to Taurus comprised of US\$93 million to fully repay all remaining Taurus debt and US\$16.5 million to settle all remaining Taurus gold offtake fee obligations.

Figure 1: Sanbrado Gold Operation Layout



FINANCIAL SUMMARY (A\$'000)		Q1 2021	Q2 2021	Q3 2021	Q4 2021	YTD 2021
Gold revenue		132,317	133,682	229,767	214,499	710,265
OP mining cost		20,232	19,890	23,344	18,984	82,451
UG mining cost		6,211	7,504	10,081	10,613	34,408
Processing cost		12,254	15,524	16,246	17,266	61,291
Site administration cost		6,249	8,068	7,893	8,799	31,009
Change in inventory		295	(8,900)	7,122	(1,925)	(3,408)
Royalties & production taxes		7,721	8,414	12,098	13,782	42,015
Refining and by-product		(28)	15	(34)	34	(13)
Adjusted operating cost		52,934	50,514	76,749	67,554	247,752
Rehabilitation		421	491	768	850	2,530
Capital development ¹		9,917	8,237	5,747	10,622	34,523
Sustaining capex		4,293	5,711	2,085	2,501	14,590
Sustaining leases		1,148	1,532	1,106	1,545	5,331
Corporate & share-based payments		1,767	2,187	2,091	2,200	2,215
All-in sustaining cost		70,351	68,576	88,656	85,287	312,869
Growth and development		-	-	-	1,218	1,218
Exploration non-sustaining		1,596	3,061	2,785	2,608	10,049
Capex non-sustaining		-	1,494	1,377	-	2,871
All-in cost		71,946	73,130	92,818	89,112	327,007
Unit cost summary ²	Unit					
Adjusted operating cost	A\$/oz	932	889	807	781	839
All-in sustaining cost	A\$/oz	1,239	1,206	933	986	1,060
All-in cost	A\$/oz	1,267	1,286	976	1,030	1,108
Average sales price	A\$/oz	2,330	2,351	2,417	2,479	2,406
Average FX rate used	A\$/US\$	0.7723	0.7697	0.7400	0.7310	0.7513
Adjusted operating cost	US\$/oz	720	684	597	571	631
All-in sustaining cost	US\$/oz	957	928	690	721	796
All-in cost	US\$/oz	979	990	722	753	832
Average sales price	US\$/oz	1,800	1,810	1,789	1,812	1,808
Cash, bullion, and borrowings at quarter end						
Cash and cash equivalents	US\$m	71.2	45.1	94.0	133.1	
Bullion awaiting settlement	US\$m	23.9	18.0	16.3	13.4	
Project debt facility	US\$m	(161.9)	(110.8)	(92.9)	-	
Supplier loan facility	US\$m	(9.5)	(9.5)	(9.5)	(9.5)	
Notional net (debt)/cash	US\$m	(76.3)	(57.2)	7.9	137.0	
Price used for bullion awaiting settlement		US\$1,691	US\$1,763	US\$1,743	US\$1,820	

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.

3. Amounts in the table are unaudited.

Environmental Performance and Social Investment

Environmental Performance

Areas of activity during the quarter included:

- Ongoing environmental monitoring for air quality, noise, vibration, surface and groundwater quality, metalliferous acid generating potential and greenhouse gas emissions. Samples are analysed against national pollutant criteria and relevant international guidelines such as the World Health Organisations standards, South African environmental guidelines, and the International Cyanide Management Code among others.
- Continued improvement in seed germination rates and expansion of plant species used in revegetation trials as part of the mine's progressive rehabilitation program. WAF partners with surrounding communities for collecting local seeds suitable for revegetation.
- Comprehensive update of the Sanbrado environmental monitoring database and audit system.

Social Investment

WAF recognises the role it plays in contributing to the social fabric of the communities surrounding Sanbrado and also more broadly to the region. In November WAF and Orezone, a TSX listed gold exploration and development company, teamed up to host a capacity building workshop for their staff on consultation frameworks as part of an ongoing effort to maintain a positive dialogue with stakeholders. Other activities by the Company during the quarter included:

- Community erosion control and sustainable soil improvement program underway by national partner organisation Green Cross focusing on composting and providing training on climate change adaptation good practices to agricultural cooperatives.
- Designing value chain studies for 2022 on rainfed and high value crops.
- Completion of construction of storage warehouses for communities to use in agricultural programs.
- Donation of bicycles to high school students in Nedogo, Boudry and Mankarga and children in the village of Noessé.



Composting facility



New irrigated market gardens



Composting and mulching equipment training by Green Cross

Growth

Kiaka

B2Gold Corp completed significant feasibility work on Kiaka that has been provided to WAF as part of the acquisition. WAF's update of the Kiaka feasibility is well underway and will include updates to the process plant design, mine plan, overall site layout, and the Environmental and Social Impact Assessment (ESIA). Lycopodium, who undertook the previous mill design work for B2Gold, has been engaged by WAF to re-design the process plant based on lower throughput rates than the previous design, which will provide substantial savings to the initial capital cost. Mine planning is being completed by WAF's mining team. WAF is utilising its experience at Sanbrado to update the ESIA for Kiaka.

WAF will commence mobilisation for commencement of site early works in Q1 2022 and is targeting completion of the feasibility update by the end of Q2 2022.

Toega

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.

Regional Exploration

No regional exploration was undertaken during the quarter.

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

Further information is available at www.westafricanresources.com

For further information, contact:

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Summary of Tenements in Burkina Faso as at 30 December 2021								
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 2021-187/ MEMC/SG/DGCM	24/10/2020	23/10/2023	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 SA (SOCIETE DES MINES DE SANBRADO SA)	90%	Décret No 2017 – 104/PRES/PM/MEMC/MINEFID/MEEV CC Arrêté No 2018-139/MMC/SG/DGMG	13/03/2017	12/03/2024	ML	25.9	Ganzourgou Province
Kiaka	Kiaka SA	90%	Décret No 2016 – 590/PRES/PM/MEMC/MINEFID/MEEV CC	08/07/2016	07/07/2036	ML	54.02	Zoundweogo Province

Sana	Kiaka Gold SARL	100%	No 2021-186/ MEMC/SG/DGCM	24/10/2020	23/10/2023	EL	143.43	Zoundweogo and Ganzourgou Provinces
Kiaka II	Kiaka Gold SARL	100%	No 2020-313/MMC/SG/DGCM	24/10/2020	23/10/2023	EL	179.9	Zoundweogo and Boulgou Provinces

*Bollé Permit renewal has been approved and paid, waiting on the arrêté.

***Diakora, Dounougou and Tieradeni I permit renewals have been approved. Waiting on arrêté approvals pending

****Goudre permit. Applied for an exceptional renewal. Process is in progress.

Changes in tenements in Burkina Faso during the quarter ended 31 December 2021

Change	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Tenement acquired	Kiaka Kiaka SA Décret No 2016 – 590/PRES/PM/MEMC/MINEFID/MEEVCC Zoundweogo Province	ML	0%	90%
Tenement acquired	Sana Kiaka Gold SARL No 2021-186/ MEMC/SG/DGCM Zoundweogo and Ganzourgou Provinces	EL	0%	100%
Tenement acquired	Kiaka II Kiaka Gold SARL No 2020-313/MMC/SG/DGCM Zoundweogo and Boulgou Provinces	EL	0%	100%

Competent Person's Statement

Information in this announcement that relates to mineral resources (excluding M1 South Deeps) 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.