



West African Resources Limited

ABN 70 121 539 375

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

for the three and twelve months ended 30 June 2014

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West African Resources Limited

Management's Discussion and Analysis (MD&A)

for three and twelve months ending 30 June 2014

GENERAL

Presented below is a discussion of the activities, results of operations and financial condition of West African Resources Ltd. ("West African" or the "Company") for the three and twelve month period ended June 30, 2014, compared to the same periods in the preceding year. This management discussion and analysis ("MD&A") was prepared using information available as of September 29, 2014 and should be read in conjunction with the Company's audited consolidated financial statements for the twelve month period ended June 30, 2014 and notes thereto. The audited consolidated financial statements (the "Financial Statements") are prepared in accordance with International Financial Reporting Standards ("IFRS"). The Financial Statements include the accounts of the Company and its subsidiaries. All monetary amounts referred to herein are in Australian dollars unless otherwise stated.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com, on the Company's website at www.westafricanresources.com.

INFORMATION

Information on the Competent Person's Statement, Regulatory Disclaimer and Related Information, Forward Looking Statements and information that is material to understanding the exploration results in relation to each of the criteria in section 1 (sampling techniques and data) and section 2 (reporting of exploration results) of Table 1 in Appendix 5A of the Jorc 2012 code, are set out in **Appendix 1**.

CORPORATE OVERVIEW

West African is a mineral exploration company focused on building shareholder value through the identification, acquisition, assessment and development of mineral resource projects. The Company's portfolio includes mineral rights in a gold project in Burkina Faso.

The Company trades on the Australian Securities Exchange ('ASX') and the TSX Venture Exchange ('TSX-V') (with effect from January 2014) under the symbol "WAF" and warrants trading on the TSX under the symbol "WAF.WT". The Company is a reporting issuer in Canada in the provinces of British Columbia, Alberta, Saskatchewan and Ontario.

OPERATIONS HIGHLIGHTS

West African Resources Limited (ASX: WAF) is pleased to report activities on its 100%-owned and 100%-earning gold and copper-gold projects in Burkina Faso, West Africa, for the quarter ending 30 June 2014, the highlights being:-

- Mankarga 5 Scoping Study delivers high margin, low capital cost gold project
- Highlights (based on a gold price of \$1,300/oz - all amounts in US dollars):
 - Pre-production capital of \$35M plus working capital and contingency of \$9M
 - IRR of 57% with a 16-month payback on initial capital
 - Free cash flow of \$103M after capital costs
 - NPV5% of \$84M
 - Average annual gold production of 59,400 ounces for first three years
 - Average annual gold production of 44,100 ounces for life of mine
 - Current study mine life of 5.4 years
 - Life of mine strip ratio 1:1
 - Cash costs of \$614/oz
 - All-in sustaining cash costs of \$685/oz (including cash costs, royalties, refining & sustaining capital)
- June 2014 Quarter Summary:
 - 30,214m drilled
 - \$1.10m Exploration Expenditure

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- \$0.23m Administration Costs
- \$2.5m cash at bank at 30 June 2014

MINERAL PROJECTS

Burkina Faso, West Africa

The majority of West African's exploration activities since listing the Company on ASX in 2010 have been focused on Burkina Faso, located in the Sahel region of West Africa. The Sahel is a transition zone between the Sahara Desert to the north and the savannas to the south, and stretching the full width of the continent, having a semi-arid climate.

The area now known as Burkina Faso was ruled by the Mossi kingdoms from medieval times until France claimed the region in 1896 when it became known as Upper Volta. In 1960 the Republic of Upper Volta was granted autonomy by France and in 1987 the name of the country was changed to Burkina Faso.

Most of central Burkina Faso lies on a savanna plateau, 200 to 300 meters above sea level. Some key characteristics of Burkina include:

- Average annual rainfall: ~100 cm in the south; ~25 cm in the north and northeast.
- Population: 17.8 million (2013 est.) with a growth rate of approximately 3%.
- Language: French and Mòoré
- Average population density: approximately 51.4 people per square kilometer with concentrations in urban areas approximately 80 people per square kilometer.
- Ethnicity: The country is generally regarded as an ethnically integrated, secular state, its population belonging to two major West African cultural groups - the Voltaic and the Mande. The 60% of Burkinabe are Muslim with 25% Christian but most also adhere to traditional African religions.
- Education: Compulsory until the age of 16; however, only about 80.3% of Burkina's primary school age children are enrolled in primary school. Of those enrolled, about 41.7% complete primary school.
- Government: Parliamentary Republic. Gained independence from France in 1960. Follows the French model of civil law based on a constitution adopted in 1991.
- Economy: GDP per capita (PPP) of \$1,400 (2012 est.); Real GDP growth of 8% (2012 est.) (4.2% in 2011); Inflation rate of 3.8% (2012 est.) (2.8% in 2011). Mining and the agricultural sectors (primarily cattle and cotton) are the main sources of growth. Approximately 80% of the population relies on subsistence agriculture, with only a small fraction directly involved in industry and services.

Burkina Faso is working to expand its economy by developing its mineral resources, particularly gold, improving its infrastructure, making its agricultural and livestock sectors more productive and competitive, and stabilizing supplies and prices of food grains. Gold has reportedly become the country's top export commodity.

In 2011, gold earned Burkina Faso 127 billion CFA (~\$267 million), in comparison with 440 billion CFA (~\$926 million) for the four-year period between 2007 and 2011, accounting for 64.7 percent of all exports and 8 percent of GDP. Production rose from 23 tonnes in 2010 to 32 tonnes in 2011.

Gold Exploration in Burkina Faso

Burkina Faso is located between Ghana and Mali and is home to approximately 30% of the Birimian greenstone belts of West Africa. The Birimian greenstone belts of West Africa have long been a focus for gold explorers and they host several world-class deposits. Exploration and development activity in Burkina Faso has accelerated significantly in the last 10 years, with several projects now having entered the production phase, including IAMGOLD's Essakane mine, High River Gold's Taparko-Boroum mine, and Semafo's Mana mine.

About West African Resources and the Boulsa and Mankarga 5 Gold Project

The Boulsa Project in Burkina Faso covers over 3,700km² and 200km of strike length of early Proterozoic Birimian greenstone belts which are highly prospective for gold mineralisation. In January 2014, West African acquired Channel Resources Ltd, which owns 90% of the Tanlouka Permit hosting the Mankarga 5 deposit. The Company has

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an arrangement in place to acquire the remaining 10% of the Tanlouka permit following the completion of a positive feasibility study.

West African is focused on near term production through the addition of the Tanlouka Permit with existing nearby gold prospects.

West African made a major Au-Cu-Mo discovery at the Sartenga Discovery in 2012.

West African is focused on cost-effective copper-gold exploration, by keeping our administration and corporate costs to a minimum and exploring as expeditiously as possible. The Company owns and operates a fleet of seven drill rigs, which are working continuously on the Boulsa Gold Project.

In Burkina Faso we have a local exploration, drilling and support team of more than 50 people. West African Resources is committed to the training and development of its local workforce.

West African's Projects June 2014 Quarter Update

West African announced the results of a technical and financial assessment ("Scoping Study") of a heap leach starter project on its Mankarga 5 project, Burkina Faso, on 29 July 2014. The Scoping Study evaluation, which was worked on largely during the June quarter and completed in July, was independently managed by engineering consulting firm Mintrex Pty Ltd based in Perth, Western Australia, with input from a range of specialist consultants, and was completed to $\pm 35\%$ input cost estimate.

Highlights:

Base case is stated on a pre-tax basis assuming 100% project at a gold price of \$1,300/oz. All amounts are in US dollars unless otherwise stated.

- IRR of 57% with a 16 month payback on capital costs
- Free cash flow of \$103 million after capital costs
- NPV^{5%} of \$84 million
- Pre-production capital of \$35 million plus working capital and contingency of \$9 million
- Estimated average annual gold production of 59,400 ounces for first three years
- Estimated average annual gold production of 44,100 ounces for life of mine
- Current study mine life of 5.4 years
- Life of mine strip ratio 1:1
- Cash costs of \$614/oz
- All-in sustaining cash costs of \$685/oz (including cash costs, royalties, refining & sustaining capital)

The release of the scoping study followed an update to the Mankarga 5 resource estimate on 14 April, with an Indicated Resource increasing by 12% (at a 0.5g/t cut-off) estimated at 10.8 million tonnes grading 1.3g/t gold containing 437,000 ounces gold and an Inferred Resource increasing by 74% (at a 0.5g/t cut-off) estimated at approximately 32.7 million tonnes grading 1.0g/t gold containing 1,050,000 ounces gold.

The Company also completed metallurgical test work during the quarter, which confirmed the carbon-in-leach (CIL) potential of the Mankarga 5 deposit, with gold recoveries of up to 98.5% and averaging 93.8% in direct cyanidation test work after 48 hours. This demonstrated that the mineralisation is non-refractory and amenable to conventional milling and CIL processing.

Exploration completed during the quarter included diamond and oxide resource definition drilling at Mankarga 5.

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A breakdown of drilling for the June Quarter includes:

- Diamond: 9 holes for 1,670 m
- Auger: 3,282 holes for 16,362 m
- Aircore: 347 holes for 12,182 m

Mankarga 5 Deposit (Tanlouka Permit)

West African acquired the Tanlouka Permit in January 2014 following its acquisition of TSXV-listed Channel Resources Ltd. The permit adjoined WAF's existing Boulsa landholding and a JORC-compliant 1Moz resource had been reported for the Mankarga 5 deposit.

Since the acquisition, West African fast-tracked exploration at Mankarga 5, including reverse circulation (RC) drilling, metallurgical diamond core drilling and oriented diamond core drilling targeting high-grade zones. On 14 April 2014, West African reported an updated independent resource estimate of 5.7 million tonnes grading 1.7g/t gold containing 315,000 ounces gold Indicated and 11.4 million tonnes grading 1.6g/t gold containing 568,000 ounces gold Inferred (at a 1.0g/t cut-off) for Mankarga 5.

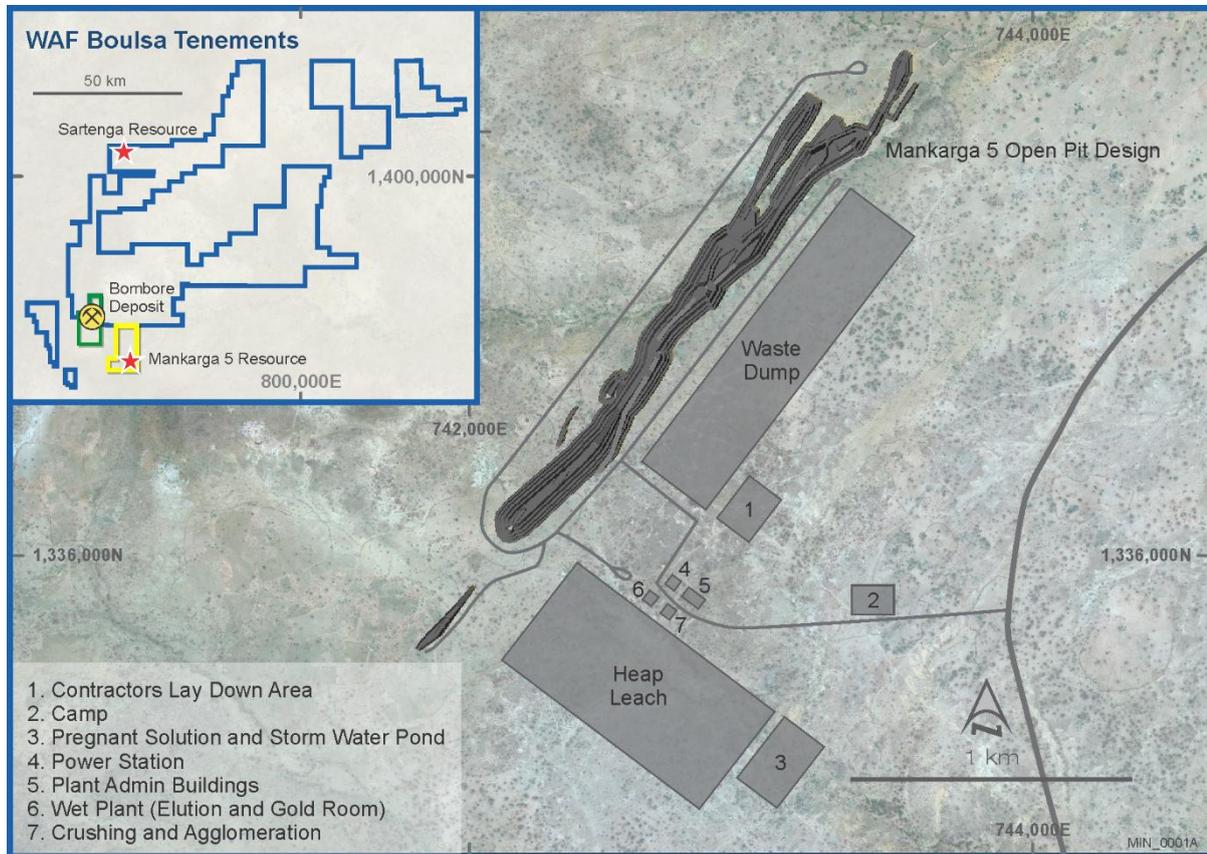
The Company aims to be a +50,000oz per annum gold producer within two years via a low-cost heap leach starter project at the Mankarga 5 deposit, subject to study outcomes and availability of financing. West African secured a second-hand 1.6Mtpa heap leach plant in February as part of its plan to fast-track development of Mankarga 5.

Scoping Study

A Scoping Study for the Mankarga 5 Gold Project was announced by West African on 29 July 2014. The study demonstrated Mankarga 5 as a high margin, low Capex gold project. The study assumes annual throughput of 1.6Mtpa, which is in line with the capacity of the second hand plant the Company purchased earlier in 2014 (ASX TSXV: 20/02/2014). The base case is stated assuming 100% basis and a gold price of \$1,300/oz. All amounts are in US dollars unless otherwise stated.

Economic Summary			
Pre-Tax	\$1100/oz	\$1300/oz	\$1500/oz
NPV^{0%} (\$M)	\$58	\$103	\$145
NPV^{5%} (\$M)	\$45	\$84	\$119
IRR %	37%	57%	71%
Payback (Months)	25	16	12
After-Tax	\$1100/oz	\$1300/oz	\$1500/oz
NPV^{0%} (\$M)	\$47	\$80	\$111
NPV^{5%} (\$M)	\$35	\$64	\$90
IRR %	32%	49%	62%
Payback (Months)	26	18	14

Project Location and Site Layout



A Mineral Resource estimate prepared by Ravensgate Mining Consultants in April 2014 (reported in accordance with NI 43-101 standards and JORC (2012) guidelines) was used for the Scoping Study (see table below). This was based on drilling data until March 2014. The Company has completed 14,000m of drilling since then and intends to upgrade the resource in the December 2014 quarter. For full details of the Mineral Resource, refer to the ASX/TSXV announcement dated 14 April 2014.

Mankarga5 April 2014 Resource									
	Cut-off (Au g/t)	Indicated Resource				Inferred Resource			
		Vol (m ³)	Tonnes	Grade (Au g/t)	Au Oz	Vol (m ³)	Tonnes	Grade (Au g/t)	Au Oz
Oxide	0.5	2,520,000	5,500,000	1.2	214,000	910,000	2,000,000	0.8	52,000
	1	1,210,000	2,700,000	1.7	145,000	160,000	400,000	1.5	17,000
Transitional	0.5	420,000	1,100,000	1.1	38,000	260,000	700,000	1.1	23,000
	1	180,000	500,000	1.6	23,000	70,000	200,000	2.2	13,000
Fresh	0.5	1,550,000	4,200,000	1.4	184,000	11,120,000	30,000,000	1.0	974,000
	1	970,000	2,600,000	1.7	146,000	4,020,000	10,800,000	1.5	538,000
Total	0.5	4,490,000	10,800,000	1.3	437,000	12,290,000	32,700,000	1.0	1,050,000
	1	2,360,000	5,700,000	1.7	315,000	4,250,000	11,400,000	1.6	568,000

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This Scoping Study demonstrated positive results for starter project focussing on the oxide portion of the Mankarga 5 resource. There is potential to improve project economics by upgrading the existing resource incorporating the 14,000m drilled since April 2014, and from optimising the mining schedule further, focussing on processing higher grade ore in year one and two of the project.

The Company believes that significant potential also exists to define additional sulphide resources proximal to the existing resource area. Recent metallurgical test work confirms sulphide mineralisation is non-refractory and amenable to conventional milling and CIL processing, with gold recoveries of up to 98.5% and averaging 93.8% in direct cyanidation test work. The Company intends to conduct a Scoping Study into a Stage Two sulphide project in 2015.

West African also has a number of drill-ready targets a short trucking distance from the starter project, which will be targeted with an aggressive drilling campaign following the current wet season later this year.

The Company intends to transition directly into Feasibility Studies on the low capital cost starter project, expanding on the components of the Scoping Study. The Company has already received a number of proposals from reputable consulting firms for the Environment and Social Impact Assessment (ESIA) portion of the study, and we will appoint a Study Manager in the near future.

For full details of the Scoping Study, refer to the ASX/TSXV announcement dated 29 July 2014.

Exploration

Resource definition drilling at Mankarga 5 was undertaken by three WAF rigs, focussing on filling in gaps in the existing resource model on 100m sections in the oxide zone, as well as testing mineralisation at depth and twinning historic reverse circulation (RC) drill holes to confirm the integrity of historic drilling.

An additional contract RC rig commencing during the quarter to complete 8,000m, focussing on 50m spaced sections to improve the grade, geological continuity and resource category in future estimates.

Oxide resource definition drilling has returned significant results which will improve grade and category of the resource model in the resource update planned for the December quarter. Best results from the ongoing program included:

- TAC0214: 8m at 13.41g/t Au from 6m including 5m at 21.04g/t Au
- TAC0226: 17m at 1.65g/t Au from 13m including 3m at 4.83g/t Au
- TAC0227: 17m at 2.03g/t Au from 8m including 4m at 44.96g/t Au
- TAC0223: 11m at 2.21g/t Au from 32m including 1m at 17.54g/t Au
- TAC0240: 29m at 2.53g/t Au from surface including 1m at 11.48g/t Au, 6m at 3.11g/t Au and 10m at 3.29g/t Au
- TAC0244: 8m at 5.57g/t Au from 49m including 1m at 37.31g/t Au
- TAC0255: 24m at 2.81g/t Au from 27m including 5m at 6.75g/t Au and 4m at 4.29g/t Au
- TAC0260: 5m at 4.09g/t Au from 40m
- TAC0267: 19m at 1.3g/t Au from 7m including 5m at 2.8g/t Au and 17m at 1.9g/t Au from 39m including 1m at 15.33g/t Au
- TAC0281: 10m at 1.28 g/t Au from 4m
- TAC0287: 9m at 1.34 g/t Au from 20m and 2m at 12.93 g/t Au from 37m
- TAC0291: 9m at 1.94 g/t Au from 26m ending in mineralisation
- TAC0292: 7m at 1.84 g/t Au from 3m
- TAC0298: 5m at 5.3 g/t Au from 3m

The results in TAC0298 are located outside the current resource area.

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Other significant drilling results during the quarter included:

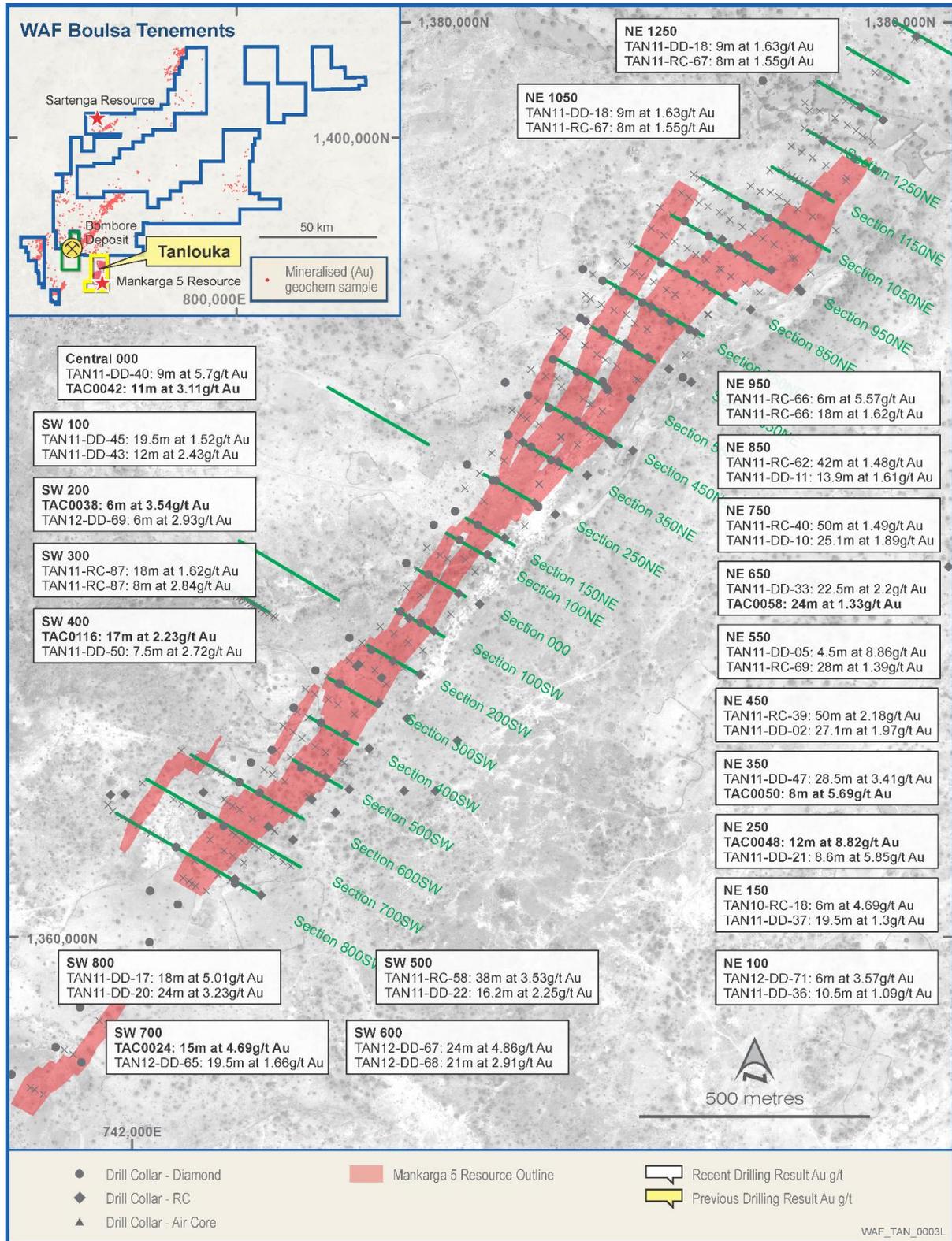
- TAC0153: 30m at 2.48g/t Au from surface including 2m at 6.83g/t Au and 2m at 18.55g/t Au
- TAC0158: 20m at 2.75g/t Au from 12m including 8m at 3.45g/t Au
- TAC0160: 21m at 5.43g/t Au from surface including 14m at 7.21g/t Au
- TAC0166: 22m at 1.60g/t Au from 9m including 4m at 3.68g/t Au

Ongoing diamond drilling on 50m and 100m sections also returned significant results which included:

- TAN14-DD003: 7m at 4.09g/t Au from 333m including 3m at 7.83g/t Au
- TAN14-DD004: 12m at 4.82g/t Au from 129m including 1m at 51.31g/t Au
- TAN14-DD008: 29m at 1.31g/t Au from 9m including 5m at 3.53g/t Au
- TAN14-DD008: 20m at 1.03g/t Au from 43m
- TAN14-DD009: 18m at 1.96g/t Au from 53m including 5m at 4.83g/t Au
 - 7m at 1.59g/t Au from 110m including 1m at 7.29g/t Au
 - 12m at 1.37g/t Au from 180m
 - 19m at 1.12g/t Au from 197m
- TAN14-DD010: 15m at 2.69g/t Au from 68m including 1m at 6.7g/t Au and 8m at 3.64g/t Au

The diamond drilling results are from central sections of the Mankarga 5 deposit which have been infilled on 50m spaced drill lines. The results in TAN14-DD009 are located in the hanging wall adjacent to the main zone of mineralisation, and outside the current resource area, indicating good potential to discover parallel zones with further drilling.

Mankarga Drilling Summary Plan



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The Company completed detailed auger drilling over the entire Tanlouka Permit (16,000m), results from which will be reviewed over the current wet season. Drilling will commence in earnest following the current wet season targeting high priority prospects, and following up significant historic results outside the current resource area.

Metallurgical test work

Preliminary results from metallurgical test work from Mankarga 5 announced on 9 May 2014 confirmed gold recoveries of up to 91.5% and averaged 82.5% in coarse feed size heap leach amenability cyanidation test work after 120 hours. Many samples continued leaching after 120 hours which indicated that higher leach extractions may have been achieved if the test duration was extended. The preliminary results also confirmed very low cyanide consumption of 0.3-0.4kg/t.

Further preliminary results announced on 9 July 2014 confirmed the CIL potential of the Mankarga 5 deposit, with gold recoveries up to 98.5% and averaging 93.8% in direct cyanidation test work after 48 hours, at a grind size of 80% passing 100 microns. This confirmed that the Mankarga 5 mineralisation is non-refractory and amenable to conventional milling and CIL processing. The results also demonstrated very low cyanide consumption averaging 0.28kg/t.

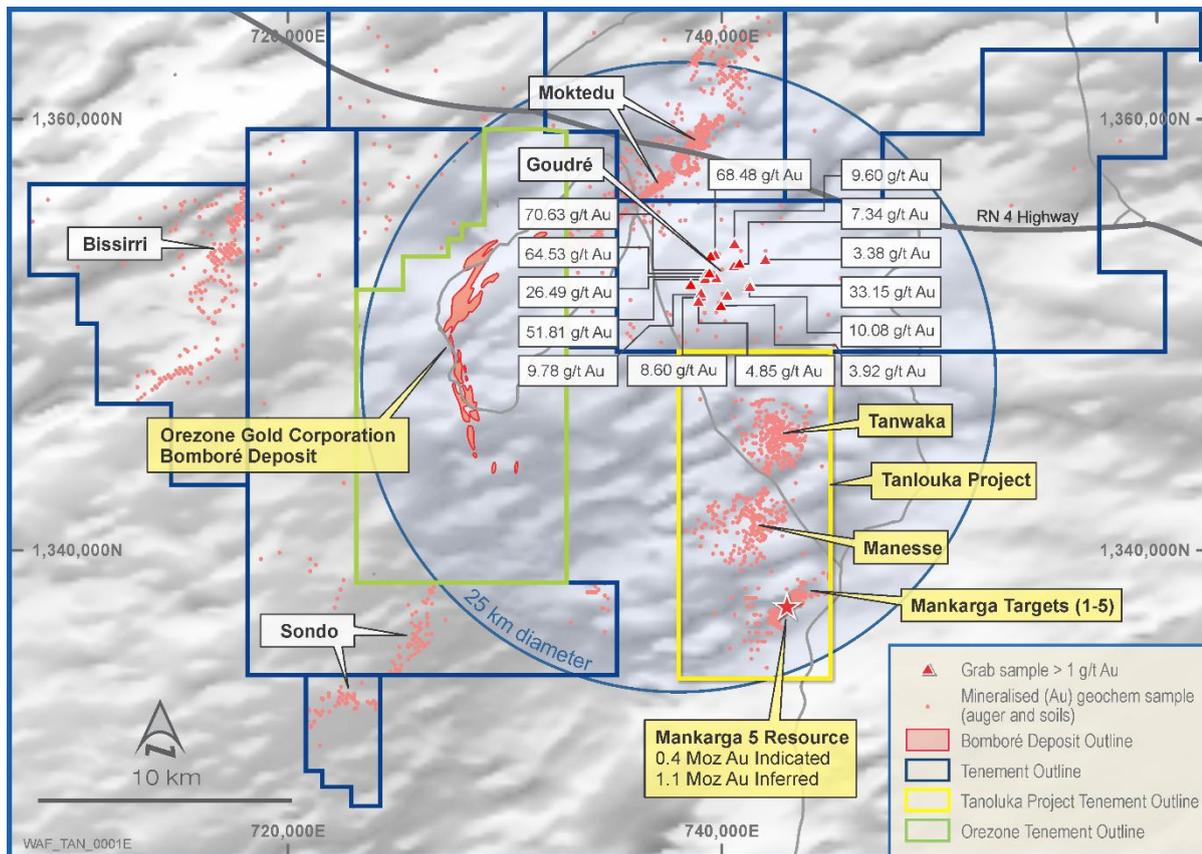


Figure 2: South-Western Boulsa Project – Location of Mankarga 5 deposit and nearby exploration potential

Summary of Resource Estimate and Reporting Criteria

A summary of the material information used to estimate the mineral resource is presented below in accordance with JORC reporting guidelines. A more detailed description is contained in Appendix 1.

Geology and Geological Interpretation

Rocks in the Mankarga 5 area comprise metasediments and volcano sedimentary units which have been intruded by diorite and granodiorite. The project area hosts shear zone type quartz-vein gold mineralisation. Gold mineralization at Mankarga 5 is associated with quartz veining with silica, sulphide and carbonate-albite, tourmaline-biotite alteration. The mineralised shear hosting mineralisation can be traced on 100m and 50m spaced sections over almost 3km. The mineralisation interpretation utilised a 0.2 g/t Au edge cut-off for overall shear zone mineralisation. Within this discrete higher grade Hanging-wall and Foot-wall zones were modelled using a 0.5 g/t Au edge cut-off.

Sampling and sub-sampling techniques

WAF and CHU RC samples were split and sampled at 1m and 2m intervals respectively using a three-tier riffle splitter. Diamond core is a combination of HQ, NQ2 and NQ4 sizes and all Diamond core was logged for lithological, alteration, geotechnical, density and other attributes. In addition, WAF Diamond core was logged for structural attributes. QAQC procedures were completed as per industry standard practices.

Drilling Techniques

The area of the Mankarga 5 resource was drilled using Reverse Circulation (RC), Aircore (AC) and Diamond drill holes (DD) on a nominal 100m x 25m grid spacing with infill on 50m spaced lines in several areas. A total of 116 AC holes (4601m) and 8 DD holes (1283.2m) were drilled by West African Resources (WAF) in 2013-2014. A total of 60 RC holes (7296.2m) and 71 DD holes (15439.6m) were drilled by Channel Resources (CHU) in 2010-2012. Holes were angled towards 120° or 300° magnetic at declinations of between -50° and -60°, to optimally intersect the mineralised zones.

Classification

Resource classification was based on geological confidence and spatial review of quality coding which reflected the quality of the estimate for each block. Areas within the Hanging Wall and Footwall zones that had high confidence estimate values, had sufficient drilling density (<50m spaced drilling) or were proximal to 100m by 25m spaced drill lines were assigned as Indicated Resources. The remainder was classified as Inferred.

Sample analysis method

Historic and recent RC and diamond core samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis for gold by 50g standard fire assay method (FA) followed by an atomic absorption spectrometry (AAS) finish.

Estimation Methodology

Ordinary kriging was selected as the most appropriate method for estimating Au for the Mankarga 5 deposit. A block size of 5m X, 25m Y and 10m Z was selected as an appropriate block size for estimation given the drill spacing (50 to 100m strike spacing), mineralisation geometry and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining). A zone and zone percentage coding was used to accurately represent domain volumes.

Cut-off grades

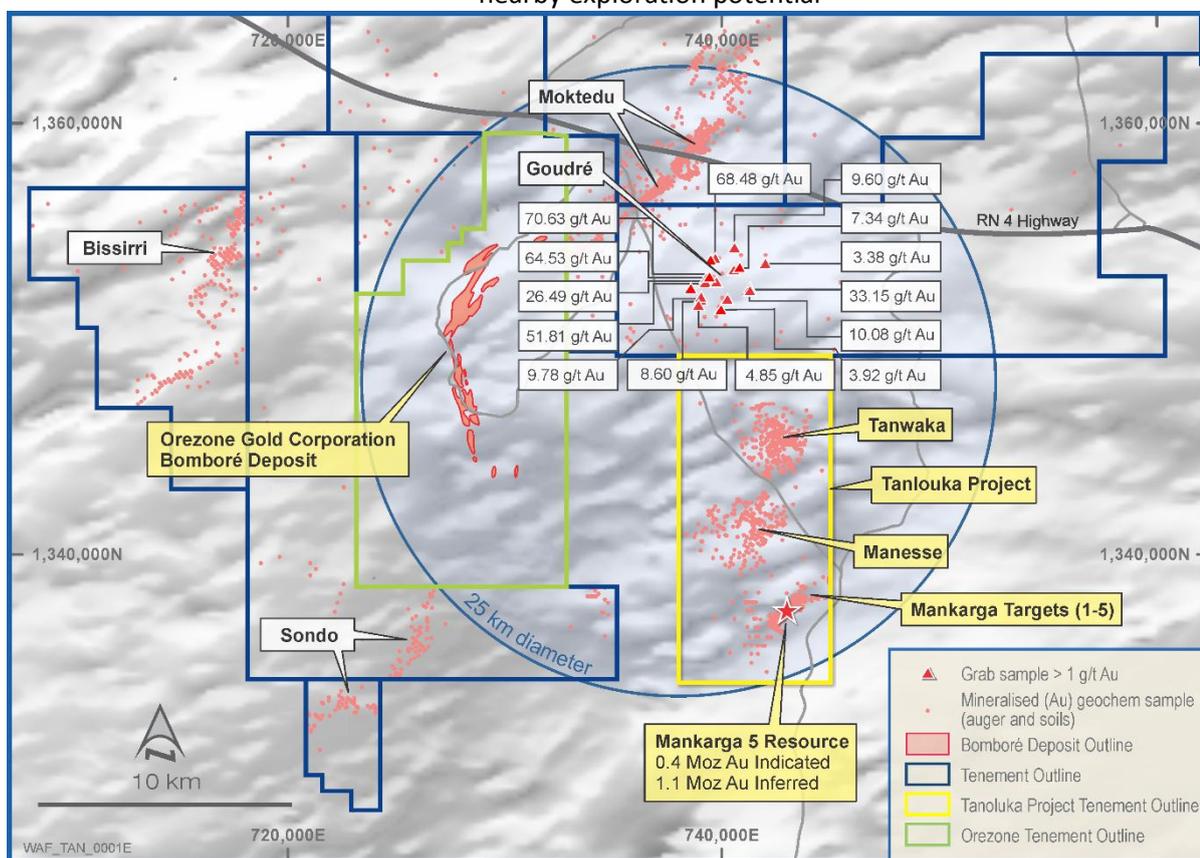
The resource is reported at cut-offs of 0.5 g/t Au and 1.0 g/t Au which were considered reasonable and reflect that the final cut-off determination will be dependent on the scale of any potential future operation. High yield limits were used to restrict the influence of high outlier grades. A high yield limit of 10 g/t Au was used based on the 99th percentile values. The high yield limit was restricted to within 25m of an outlier grade. The removal of outlier grades removes approximately 8% of reported Au metal.

Mining and metallurgical methods and parameters and other material modifying factors

The most likely development scenario for the deposit is as an open cut (pit) mine. No mining dilution has been applied to the reported estimate. Preliminary metallurgical test work was completed for Channel Resources in 2012 by SGS Laboratories in Vancouver. Cyanide bottle roll tests returned recoveries of 93% to 95% for oxide and 85% to 92% for sulphide mineralisation. Coarse bottle roll test work to test the amenability of material to processing by heap leach methods returned recoveries of 79% for oxide and 30% for sulphide. More detailed metallurgical heap leach test work is currently underway at ALS Ammtec in Perth. Results are expected by the end of this quarter.

The Company will continue drilling throughout 2014 with aim of adding further resources suitable for heap leach treatment. Diamond drilling is also continuing at Mankarga 5. An auger drilling program encompassing the entire Tanlouka permit has recently commenced which is designed to better define targets, ahead of drilling, at Mankarga 1 – 4, Manesse and Tanwaka. Figure 3 shows locations of prospects with exploration potential within a 25km zone in the south-western area of the Boulsa Project.

Figure 3: South-Western Boulsa Project – Location of Mankarga 5 deposit and nearby exploration potential



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As announced on 5 March, West African entered into an agreement to acquire the remaining 10% of the Tanlouka Permit, part of the Boulsa Project, Burkina Faso. The acquisition will take West African to 100% ownership of the permit.

The acquisition, which is conditional on completion of a positive feasibility within 18 months, comprised the following consideration:

- US\$50,000 on execution of the agreement

Issue of 2,500,000 ordinary shares in West African Resources Ltd and payment of US\$250,000 following completion of a positive feasibility study on the Tanlouka permit.

CORPORATE

Share placement raises \$3 million

West African completed a 10% placement raising \$3 million, before costs, by issuing 23.1 million ordinary shares at 13 cents and the shares were allotted on 4 April 2014. The placement was well supported by existing shareholders and high-net-worth individuals. Funds will be used for further drilling and the Mankarga 5 scoping study.

The placement was completed by Blackwood Capital Limited and made in accordance with the Company's available 15% capacity pursuant to ASX Listing Rule 7.1. New shares had an issue price of 13 cents and rank equally with existing WAF ordinary shares quoted on the ASX and TSX-V.

OUTLOOK

Near-term Strategy

The Company aims to be a +50,000oz per annum gold producer within two years via a low-cost heap leach starter project at the Mankarga 5 deposit, subject to study outcomes. West African has secured a second-hand 1.6Mtpa heap leach plant as part of its plan to fast-track development of Mankarga 5. The proposed project development schedule for Mankarga 5 is shown below.

Timeline of Key Deliverables for the Mankarga 5 Project								
	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Drilling								
Resource upgrade	✓			•				
Scoping Study Heap Leach (Stage 1)			✓					
Metallurgical Tests		✓		•				
Feasibility Study				•				
Permitting					•			
Scoping Study CIL (Stage 2)						•		
Construction								•
Production								•

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RESULTS OF OPERATIONS

Summary of Financial Results

	3 months ended		12 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$	\$	\$	\$
Administration Expenses	(400,794)	(766,457)	(1,592,505)	(1,813,329)
Exploration Expenses	(1,651,424)	(2,465,116)	(12,834,799)	(5,834,598)
Share of loss of equity accounted investees	-	-	-	-
Other income	19,447	265,164	74,001	407,347
Loss before income taxes	(2,032,771)	(2,966,409)	(14,353,303)	(7,240,580)
Income tax benefit	-	-	316,690	-
Net loss	(2,032,771)	(2,966,409)	(14,036,613)	(7,240,580)
Non-controlling interest	-	-	-	-
Net loss attributable to the Company's shareholders	(2,032,771)	(2,966,409)	(14,036,613)	(7,240,580)
Net loss per common share, basic and diluted	(0.8)	(1.5)	(6.1)	(3.9)

The Company's accounting policy for exploration expenditure is to expense it as incurred. The reported net loss in the Company's consolidated financial statements reflects the administrative expenses required to support the exploration activities in Burkina Faso as well as other items offset by other income.

The reported net loss for the three and twelve months ended June 30, 2014 primarily reflects exploration expenditure incurred on the Sartenga, Goudre, Zam and Tanlouka projects in Burkina Faso, together with administrative expenses required to support those exploration activities. Furthermore, included in exploration expenses for the March 2014 quarter is the exploration property interests acquired on the acquisition of Channel Resources Ltd. This acquisition was determined to be an asset acquisition, rather than a business combination, as the substance and intent of the transaction was for the Group to acquire the exploration and evaluation assets of Channel for the purpose of expanding the Group's overall resource base. The vehicle containing the assets was of no consequence to the underlying substance and intent of the transaction. Consistent with the Company's accounting policy, \$8.0m comprising exploration property interests have been expensed.

Expenditures and Other Income

	3 months ended		12 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$	\$	\$	\$
Regulatory and compliance expense	(22,680)	(4,880)	(104,541)	(69,202)
Office expense	(24,301)	(19,925)	(146,392)	(113,331)
Depreciation expense	(83,829)	(299,023)	(351,053)	(526,417)
Personnel expense	(66,470)	(65,363)	(204,851)	(183,503)
Travel and accommodation expense	(12,452)	(14,764)	(40,090)	(37,039)
Property expense	(23,514)	(14,533)	(97,034)	(51,873)
Consulting fee expense	(74,933)	(27,336)	(248,863)	(116,860)
Audit fees	(28,550)	(21,711)	(81,703)	(49,706)
Director's fees	(36,458)	(35,000)	(88,958)	(70,000)
Share based payments	(14,739)	(263,922)	(229,020)	(595,398)
Foreign exchange loss	(12,868)	-	-	-
	(400,794)	(766,457)	(1,592,505)	(1,813,329)

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Expenditures, net of other income, decreased to \$400,794 in Q4 2014 as compared to \$766,457 in Q4 2013. On a year-to-date basis (12 months), these expenses were \$1,592,505 in YTD 2014 as compared to \$1,813,329 in YTD 2013. The significant variations in expenditures and other income in the current reporting periods, as compared to those in the preceding year, are described below:

- Decrease in the non-cash depreciation expense, as previously depreciation for the six month period was brought to account during June quarter ends;
- Decrease in non-cash share based payments expense as the Director and Employee options are nearly fully expensed by 31 December 2013; and
- audit fees include a payment of \$32,086 for consulting services provided in claiming an R&D tax incentive.

SUMMARY OF QUARTERLY RESULTS

	Three Months Ended 30-Jun-14 ("Q4 2014") \$	Three Months Ended 30-Jun-13 ("Q4 2013") \$	Three Months Ended 31-Mar-14 ("Q3 2014") \$	Three Months Ended 31-Mar-13 ("Q3 2013") \$	Three Months Ended 31-Dec-13 ("Q2 2014") \$	Three Months Ended 31-Dec-12 ("Q2 2013") \$	Three Months Ended 30-Sep-13 ("Q1 2014") \$	Three Months Ended 30-Sep-12 ("Q1 2013") \$
Revenue	19,447	265,164	27,656	25,905	14,593	81,407	25,173	122,094
Total assets	2,485,495	3,366,769	1,766,523	4,004,194	3,366,482	4,004,194	5,161,439	8,038,532
Property, plant and equipment	450,592	594,528	382,152	594,528	420,171	594,528	475,817	600,521
Working capital	2,034,903	2,772,241	931,718	2,772,241	1,220,478	2,772,241	2,503,791	6,602,526
Shareholders' equity	2,485,495	3,366,769	1,313,870	3,366,769	3,018,552	3,366,769	4,547,019	7,199,369
Net loss attributable to shareholders	1,658,054	2,966,409	8,761,369	1,135,505	1,575,582	2,326,799	1,655,638	800,122
Loss per share, basic and diluted	(0.008)	(0.015)	(0.036)	(0.007)	(0.007)	(0.012)	(0.017)	(0.004)

LIQUIDITY AND CAPITAL RESOURCES

Revenue and Reliance on Equity Financing

With the exception of interest earned on money market deposits, the Company does not have any revenue or cash inflows from its operations. Its operational activities during the current reporting periods were financed by the Company's working capital carried forward from the preceding period and a share capital placement completed in April 2014. At present, the Company's financial success is dependent on management's ability to discover economically viable mineral deposits and to raise required funding through equity or debt issuances, asset sales or a combination thereof. The mineral exploration process can take many years to advance to development and production, and is subject to various factors that are beyond the Company's control.

As of June 30, 2014, the Company had working capital of \$2,034,903 (March 31, 2013 \$931,718). During the June 2014 quarter the Company completed a placement to existing shareholders and high-net-worth individuals and raised \$3 million before costs. Cash acquired on acquisition of Channel Resources Limited of \$1,259,790 was brought to account during the March 2014 quarter.

Sources and Uses of Cash

As of June 30, 2014, the Company had cash and cash equivalents of \$2,522,917 (June 30, 2013 - \$3,328,461). Cash and cash equivalents include bank and money market deposits, which are highly liquid short-term interest bearing investments.

The decrease in cash and cash equivalents by 24% to \$2,522,917 during the twelve months ended June 30, 2014, arose due to the following reasons:-

Operating cash flows

Cash outflows from operating activities decreased by 19% to \$5,274,350 (2013: \$6,540,923). This amount decreased mainly because of the 26% decrease in exploration related expenditure.

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Investing cash flows

Cash outflows from investing activities increased by 100% to \$1,119,412 (2013: \$559,404) due mainly to the purchase of Channel Resources Ltd, with outflows attributable to the legal and other professional costs associated with that acquisition under the Plan of Arrangement, the acquisition of 19.9% of that Company in the December 2013 quarter, offset by the cash taken up on the acquisition of Channel in the March 2014 quarter.

Financing cash flows

Cash flow from financing activities decreased by 11% to \$5,498,400 (2013: \$6,199,625) due to the placement of shares at a lower average issue price of 13.9 cents per share compared with 20 cents per share the previous year.

Capital Risk Management

The Company has no debt instruments at this time and all of the Company's funds net of outstanding payables are unencumbered and available for use as working capital. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. In the opinion of management, the fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Outstanding Share Capital

As of the date of this MD&A, the Company has 270,301,498 ordinary shares on issue and 24,654,407 incentive stock options and warrants at a weighted average exercise price of \$0.43 per share.

OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The consolidated financial statements include the financial statements of West African Resources Limited and the subsidiaries listed in the following table.

Controlled entities	Country of incorporation	Percentage Owned	
		2014 %	2013 %
Parent Entity:			
West African Resources Ltd	Australia		
Subsidiaries of West African Resources Ltd:			
Wura Resources Pty Ltd SARL	Burkina Faso	100	100
Wura Uranium Resources Pty Ltd	Australia	100	100
Swan Resources SARL	Burkina Faso	100	100
Hawthorn Resources SARL	Burkina Faso	100	100
West African Resources Exploration SARL	Burkina Faso	100	100
West African Resources Development SARL	Burkina Faso	100	100
West African Resources Ltd SARL	Burkina Faso	100	-
Channel Resources Ltd	Canada	100	-
<i>which owns</i>			
Channel Resources (Cayman I) Ltd	Cayman	100	-
<i>which owns</i>			
Channel Resources (Cayman II) Ltd	Cayman	100	-
<i>which owns</i>			
Tanlouka SARL	Burkina Faso	100	-

The Company finances the operations of all of its subsidiaries and thus these companies will have unsecured borrowings from the Company that are interest free and at call. The ability for these controlled entities to repay debts

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due to the company (and other parties) will be dependent on the commercialisation of the mining assets owned by the subsidiaries.

	30/06/2014	30/06/2013
	\$	\$
Amounts payable to Directors for Directors Fees	26,250	17,500
Amounts payable to Directors for Consulting Fees	81,235	81,235

DETAILS OF KEY MANAGEMENT PERSONNEL

Directors

Francis Harper	Chairman (non-executive)
Richard Hyde	Managing Director
Simon Storm	Director (non-executive)
Jean-Marc Lulin	Director (non-executive)
Colin Jones	Director (non-executive)

COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Consolidated		Consolidated	
	3 months ended		12 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$	\$	\$	\$
Short-term employee benefits	107,485	89,985	427,621	394,940
Share-based payments	136,562	168,638	136,562	337,278
	244,047	258,623	564,183	732,218

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OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL

Transactions between related parties are on normal commercial terms no more favourable than those available to other parties unless otherwise stated. Amounts paid or payable are:-

	Consolidated		Consolidated	
	3 months ended		12 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	\$	\$	\$	\$
Directors				
The Director and Company Secretary, Mr Storm is a director and shareholder of Dorado Corporate Services Pty Ltd which has provided company secretarial and accounting services to the company on normal commercial terms. \$3,745 / month of this amount relates to Company Secretarial remuneration for Mr Storm's services.	24,060	18,710	102,313	79,965
The Managing Director, Mr Hyde, is a director and shareholder of Azurite Consulting Pty Ltd which has provided consultancy services to the company on normal commercial terms amounting to \$70,000 / quarter	70,000	70,000	280,000	280,000
The Director, Mr Harper, is a director and shareholder of Blackwood Capital Ltd which has provided consultancy and capital raising services to the company on normal commercial terms. \$8,750 / quarter of this amount relates to directors' remuneration.	202,762	18,423	396,256	396,181
The Director, Mr Ross, is a director and shareholder of Roman Resource Management Pty Ltd which has provided consulting services to the company on normal commercial terms. \$8,750 / quarter of this amount relates to directors' remuneration.	-	8,750	26,250	35,000
The Director, Mr Lulin (appointed 29 January 2014) , is paid directors fees of \$8,750 / quarter	8,750	-	15,944	-
The Director, Mr Jones (appointed 28 February 2014) , is paid directors fees of \$8,750 / quarter	8,750	-	11,764	-
	314,322	115,883	832,527	791,146

As of the date of this MD&A, the Company has Service agreements with key management as described herein:-

The Company has entered into a consultancy agreement with Azurite Consulting Pty Ltd, an entity associated with Richard Hyde, for the term of 3 years, for the provision of technical and corporate services. Annual fees payable to Azurite are \$280,000 plus GST to be reviewed annually. The Company may terminate the consultancy agreement on 1 month's notice by paying 12 months of consultancy fees. Azurite may terminate the consultancy agreement due to breach or upon 3 months notice.

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The Company has entered into a consultancy agreement with Dorado Corporate Services Pty Ltd, an entity associated with Simon Storm, for the provision of company secretarial and accounting services. These fees comprise a retainer of \$3,745 per month together with fees of \$165 per hour, where the number of hours each month exceeds 20 by Mr Storm.

Non-executive directors are paid fees of \$35,000 per annum.

SUBSEQUENT TO QUARTER END TRANSACTIONS

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated annual financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"). IFRS requires Management to make certain judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Estimates and assumptions are continuously evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

Significant judgments and assumptions include those related to the determination of functional currency and determination of asset retirement obligations and environmental liabilities. Significant estimates include the assumptions used in valuation of share-based payments.

Functional currency

The analysis of the functional currency for each entity of the Company is in accordance with *IAS 21, the Effects of Changes in Foreign Exchange Rate*, and management determined that the functional currency of Wura Resources SARL and Tanlouka SARL is the West African CFA franc and for all other entities within the Company, the functional currency is Australian dollars, as these are the currencies of the primary economic environment in which the companies operate.

Asset retirement obligations and environmental liabilities

The Company assesses its asset retirement obligations and environmental liabilities at each reporting date, assessing if a provision is required based on current activity. The provision (if any) at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield (where relevant) and making assumptions about them.

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FINANCIAL INSTRUMENTS

The Company's financial instruments at June 30, 2014 and June 30, 2013 include the following:

Financial Instruments	30-Jun-14 \$	31-Mar-14 \$	30-Jun-13 \$
Cash and cash equivalents	2,522,917	1,170,945	3,328,461
Accounts receivable	83,741	181,516	59,295
Accounts payable	637,425	452,653	637,425

Cash and cash equivalents includes bank deposits and highly liquid short-term investments with original maturities of three months or less. Accounts receivable, and accounts payable and accrued liabilities are in normal course of business. All receivables are considered current and there were no receivables which are past due or impaired. Trade payables are non-interest bearing and are normally settled on 30-day terms.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

In the current reporting period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the twelve months ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

CONTROLS AND PROCEDURES

The Company maintains information systems, procedures and controls to provide reasonable assurance that information used internally and disclosed externally is complete and reliable. The Company continues to review and develop internal controls, including disclosure controls and procedures for financial reporting that are appropriate for the nature and size of the Company's business. Access to material information regarding the Company is facilitated by the small size of the Company's senior management team and workforce. The Company is continuing to develop appropriate controls for the nature and size of the Company's business.

Any internal controls, no matter how well conceived and operated, cannot provide absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion between two or more people, or by unauthorized override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

RISKS AND UNCERTAINTIES

The following description of risks and uncertainties is not all-inclusive as it pertains only to conditions currently known to management. There can be no guarantee or assurance that other factors will adversely affect the Company.

Risks Inherent in the Mining and Metals Business

The business of exploring for minerals is inherently risky. None of the properties in which WAF has an interest has a known body of commercial ore. Development of WAF's mineral properties will only follow upon obtaining satisfactory exploration results. Few properties that are explored are ultimately developed into producing mines. Mineral properties are often non-productive for reasons that cannot be anticipated in advance. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most exploration projects do not result in the discovery of commercially mineable deposits of ore. Title claims can impact the exploration, development, operation and sale of any natural resource project. Any such eventuality could have a material adverse effect on WAF. There can be no assurance that WAF's mineral exploration and development activities will result in any discoveries of commercially viable bodies of ore.

Commodity Prices

The price of the WAF Shares and WAF's financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in metal prices. Metal prices fluctuate widely and are affected by numerous factors beyond WAF's control. WAF's value and future revenue, if any, are in large part derived from such commodity prices or the mining and sale of metal ores or interests related therein. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of WAF's exploration projects, cannot be accurately predicted.

Financing Risks

WAF has no history of earnings and no source of operating cash flow and, due to the nature of its business; there can be no assurance that WAF will be profitable. WAF has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to WAF is through the sale of its equity shares. Even if the results of exploration are encouraging, WAF may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While WAF may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers.

Foreign Operation Risk

WAF has mineral interests in Burkina Faso, West Africa. Any changes in regulation or shift in the political attitudes in Burkina Faso, which are beyond WAF's control, may adversely affect its business and perception of same within the market environment and could have an adverse impact on WAF's valuation or the price of WAF Shares.

Currency Exchange Rate Fluctuations

Currency exchange rates may impact the cost of exploring WAF's projects. WAF financings are usually in Australian dollars and its exploration costs have been incurred primarily in Australian dollars, Euros, British Pounds, United States dollars and CFA Francs. Fluctuations in the exchange rates between these currencies may impact WAF's exploration activities and financial results, and there is no assurance that such fluctuations, if any, will not adversely affect WAF's operations.

Environmental Protection and Permitting

All phases of WAF's operations are subject to environmental protection regulation in the various jurisdictions in which it operates. Environmental protection legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental protection regulations, if any, will not adversely affect WAF's operations.

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Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and WAF may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of WAF.

Acquisition

WAF uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, WAF may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance such acquisitions and development, or integrate such opportunity and their personnel with WAF. WAF cannot guarantee that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition will ultimately benefit WAF.

Permits and Licenses

The operations of WAF may require licenses and permits from various governmental authorities. There can be no assurance that WAF will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Reliance on Key Personnel

The nature of the business of WAF, the ability of WAF to continue its exploration and development activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of WAF to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that WAF will be able to attract and retain such personnel. The development of WAF now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on WAF. WAF does not currently maintain key-man life insurance on any of the key management employees.

Competition

The mining industry is intensely competitive in all of its phases, and WAF competes with many companies possessing greater financial resources and technical facilities. Competition in the mining business could adversely affect WAF's ability to acquire suitable properties or prospects for mineral exploration or development or to attract and retain suitably qualified and experienced people to develop corporate growth strategies and to efficiently execute corporate plans.

Dilution

WAF has outstanding WAF Options as detailed in the most recent financial statements for the half year ended December 31, 2013. Should these securities be exercised, the holders have the right to purchase additional WAF Shares, in accordance with these securities' terms. During the life of these securities, the holders have the opportunity to profit from a rise in the market price of the WAF Shares, possibly resulting in the dilution of existing securities.

Land Title

Any of WAF's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. WAF has no knowledge of any material defect in the title of any of the properties in which WAF has or may acquire an interest.

For further information contact:

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Managing Director	Investor Relations
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Email: info@westafricanresources.com

APPENDIX 1

Competent Person's Statement

Information in this MD&A that relates to mineral resources for the Sartenga project is based on, and fairly represents, information and supporting documentation prepared by Mr Don Maclean, a consultant of Ravensgate Mineral Industry Consultants, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Don Maclean is a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist (Exploration and Mining). Mr Maclean 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Maclean has reviewed the contents of this news release and consents to the inclusion in this MD&A of all technical statements based on his information in the form and context in which they appear.

Information in this MD&A that relates to mineral resources for the Mankarga 5 project is based on, and fairly represents, information and supporting documentation prepared by Mr Don Maclean, a consultant of Ravensgate Mineral Industry Consultants, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Don Maclean is a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist (Exploration and Mining). Mr Maclean 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 (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Maclean has reviewed the contents of this news release and consents to the inclusion in this MD&A of all technical statements based on his information in the form and context in which they appear.

Information in this MD&A that relates to exploration results and exploration targets is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Hyde, a Director, who is a Member of The Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Hyde 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 (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Hyde has reviewed the contents of this news release and consents to the inclusion in this MD&A of all technical statements based on his information in the form and context in which they appear.

All technical information in this MD&A has been prepared under the supervision of Richard Hyde, who is the Company's "Qualified Person" under the definition of NI 43-101.

The 2012 resource model and Mineral Resource Estimate for the Mankarga 5 deposit at the Tanlouka Gold Project were prepared by Mr. Jeffrey K. Smith, P.Ge., Principal Geologist at AMEC in Toronto, Ontario, who is an independent Qualified Person as defined in National Instrument 43-101 and who has conducted a site audit at the Tanlouka Project and reviewed data collection, quality control, geological interpretations and modelling procedures used by the Company. The estimate by AMEC is consistent with the standards set out in Canadian Securities Administrators' National Instrument 43-101 and the Company is treating both the indicated and inferred gold resource estimate as a National Instrument 43-101 resource estimate.

Regulatory Disclaimer and Related Information

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This MD&A has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and Canadian National Instrument 43-101 (*Disclosure Standards for Mineral Projects*). The information relating to the historic Mankarga 5 Mineral Resource Estimate is extracted from Channel's NI43-101 report dated August 17, 2012 and is available to view on www.westafricanresources.com and on profile of Channel Resources Ltd (now a subsidiary of the Company) on www.sedar.com.

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including information relating to West African's future financial or operating performance may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed

or implied by such forward-looking statements. In the case of West African, these facts include their anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if a mineral property is developed.

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.

Mineral Resources

Mineral Resources which are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates presented in this report are by nature imprecise and depend, to a certain extent, upon geological interpretation and statistical inferences that are based on drilling information that may ultimately prove to be unrepresentative or unreliable. They may be materially affected by geology, environment, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Figures presented may not sum due to rounding. Significant figures do not indicate added level of precision.

Technical Terms

Ag	Chemical symbol for silver.
Aircore Drilling	Reverse Circulation drilling method, using a blade bit. A drilling method in which the sample is brought to the surface inside the drill rods using compressed air, reducing contamination.
Au	Chemical symbol for gold.
Auger Drilling	A drilling method in which the sample is brought to the surface via a helical or spiral rods.
BBMWI	Bond ball mill work index - The Bond Ball Mill Work Index, is a grindability test which is used with Bond's Third Theory of Comminution to calculate net power requirements for grinding ore.
Cu	Chemical symbol for copper.
CuEq*	Copper equivalent. Total metal value for each metal, summed and expressed in equivalent percent copper.
Diamond Drilling (DD)	A rotary drilling method with diamond impregnated bits to produce a solid, continuous core sample of the rock.
g/t	grams per tonne.
ICP	Inductively Coupled Plasma (ICP)
Induced Polarisation	Induced polarization (IP) is a geophysical imaging technique used to identify subsurface materials, such as ore. An electric current is induced into the subsurface through two electrodes, and voltage is monitored through two or more other electrodes.
MAD	Mixed acid digest including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a total digest for many elements however some refractory minerals are not completely attacked.
Mo	Chemical symbol for molybdenum.
MS	Mass Spectrometry
OES	Optical Emission Spectrometry
ppb	parts per billion, e.g. 1000 ppb Au equals 1 ppm Au, or 1 g/t Au.
ppm	parts per million, equivalent to g/t.
RAB Drilling	Rotary Air Blast drilling. A drilling method in which the sample is brought to the surface outside of the drill rods using compressed air.
RC Drilling	Reverse Circulation drilling. A drilling method in which the sample is brought to the surface inside the drill rods using compressed air, reducing contamination.
Re	Chemical symbol for Rhenium.

Rhenium

Rhenium is a rare metal that is highly resistant to heat and wear. Rhenium resembles manganese chemically and is obtained as a by-product of molybdenum and copper ore.

XRF

X-ray fluorescence (XRF) is the emission of characteristic "secondary" (or fluorescent) X-rays from a material that has been excited by bombarding with high-energy X-rays or gamma rays. The phenomenon is widely used for chemical analysis.

JORC 2012 Table “1”

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The area of the Mankarga 5 resource was sampled using Reverse Circulation (RC), Aircore (AC) and Diamond drill holes (DD) on a nominal 100m x 25m grid spacing. A total of 116 AC holes (4601m) and 8 DD holes (1283.2m) were drilled by West African Resources (WAF) in 2013-2014. A total of 60 RC holes (7296.2m) and 71 DD holes (15439.6m) were drilled by Channel Resources (CHU) in 2010-2012. Holes were angled towards 120° or 300° magnetic at declinations of between -50° and -60°, to optimally intersect the mineralised zones. All RC samples were weighed to determine recoveries. WAF and CHU RC samples were split and sampled at 1m and 2m intervals respectively using a three-tier riffle splitter. Diamond core is a combination of HQ, NQ2 and NQ3 sizes and all Diamond core was logged for lithological, alteration, geotechnical, density and other attributes. In addition, WAF Diamond core was logged for structural attributes. Half-core sampling was completed at 1m and 1.5m intervals for WAF and CHU respectively. QAQC procedures were completed as per industry standard practices (i.e. certified standards, blanks and duplicate sampling were sent with laboratory sample dispatches). CHU RC samples were dispatched to Abilab Burkina SARL (ALS Laboratory Group) in Ouagadougou. CHU DD samples were dispatched to SGS Burkina Faso SA (SGS) in Ouagadougou and WAF RC and DD samples were dispatched to BIGS Global Burkina SARL (BIGS) in Ouagadougou. The Diamond core samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis for gold by 50g standard fire assay method (FA) followed by an atomic absorption spectrometry (AAS) finish. WAF and CHU RC drilling was used to obtain 1m and 2m composite samples respectively from which 3 kg was pulverised (total prep) to produce a sub sample for assaying as above.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Diamond drilling in the resource area comprises NQ2, NQ3 or HQ sized core. RC depths range from 13m to 204m and DD depths range from 49.5m to 410.2m. WAF Diamond core was oriented using an orientation spear with >50% of orientations rated as “confident”. RC and AC drilling within the resource area comprises 5.5 inch and 4.5 inch diameter face sampling hammer and aircore blade drilling
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are >90% for the diamond core and >70% for the RC; there are no core loss issues or significant sample recovery problems. A technician is always present at the rig to monitor and record recovery. Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination. The resource is defined by DD and RC drilling, which have high sample recoveries. No relationship between sample recovery and grade have been identified at the project. The consistency of the mineralised intervals and density of drilling is considered to preclude any issue of sample bias due to material loss or gain.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Geotechnical logging was carried out on all diamond drill holes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure/geotechnical table of the database. Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (WAF DD only), weathering, alteration, colour and other features of the samples. Core was photographed in both dry and wet form. All drilling has been logged to standard that is appropriate for

Criteria	JORC Code explanation	Commentary
		the category of Resource which is being reported.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Core was cut in half onsite using a CM core cutter. All samples were collected from the same side of the core. RC samples were collected on the rig using a three tier splitter. All samples were dry. The sample preparation for all samples follows industry standard practice. The samples were dispatched to the laboratory (as per section 'Sampling Techniques') where they were crushed, dried and pulverised to produce a sub sample for analysis. Sample preparation involved oven drying, coarse crushing, followed by total pulverisation LM2 grinding mills to a grind size of 90% passing 75 microns. Field QC procedures involve the use of certified reference material as assay standards, blanks and duplicates. The insertion rate of these averaged 3:20. Field duplicates were taken on 1m and 2m composites for WAF and CHU RC samples respectively, using a riffle splitter. The sample sizes are considered to be appropriate to correctly represent the style of mineralisation, the thickness and consistency of the intersections.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The laboratory used an aqua regia digest followed by fire assay with an AAS finish for gold analysis. No geophysical tools were used to determine any element concentrations used in this Resource Estimate. Sample preparation checks for fineness were carried out by the laboratory as part of their internal procedures to ensure the grind size of 90% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Certified reference materials, having a good range of values, were inserted blindly and randomly. Results highlight that sample assay values are accurate and that contamination has been contained. Repeat or duplicate analysis for samples reveals that precision of samples is within acceptable limits. For Diamond core, one blank and one standard is inserted every 18 core samples and no duplicates. For RC samples, one blank, one standard and one duplicate is inserted every 17 samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Ravensgate has visually verified significant intersections in diamond core and RC drilling as part of the Resource Estimation process. Six RC holes and one diamond holes were twinned by diamond holes (2 drilled by WAF, 5 by CHU). Results returned from the twins were consistent with original holes. Primary data was collected using a set of company standard Excel™ templates on Toughbook™ laptop computers using lookup codes. The information was validated on-site by the Company's database technicians and then merged and validated into a final Access™ database by the company's database manager. The results confirmed the initial intersection geology. No adjustments or calibrations were made to any assay data used in this estimate.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All drill holes have been located by DGPS in UTM grid WGS84 Z30N. WAF DD down hole surveys were completed every 25m and at the end of hole using a Reflex down hole survey tool. CHU DD down hole surveys were completed every 3m with a Reflex EZ-Trac survey tool and CHU RC holes were surveyed every 5m using a GYRO Smart survey instrument. The grid UTM Zone 30 WGS 84 was used. A local grid orientated parallel to the strike of Mankarga (bearing 030 UTM) has recently been implemented and will be used for future work DGPS was used for topographic control.
Data spacing and	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade 	<ul style="list-style-type: none"> The nominal drill hole spacing is 100 m (northeast) by 20 m (northwest). The mineralised domains have demonstrated sufficient

Criteria	JORC Code explanation	Commentary
<i>distribution</i>	<p><i>continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <i>Whether sample compositing has been applied.</i> 	<p>continuity in both geology and grade to support the definition of Inferred and Indicated Mineral Resources as per the guidelines of the 2012 JORC Code.</p> <ul style="list-style-type: none"> 1.5m composite samples were used for the resource estimate as it was the most common sample length.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> The majority of the data is drilled to either magnetic 120° or 300° orientations, which is orthogonal/perpendicular to the orientation of the mineralised trend. The bulk of the drilling is almost perpendicular to the mineralised domains. Structural logging based on oriented core indicates that the main mineralisation controls are largely perpendicular to drill direction. No orientation based sampling bias has been identified in the data at this point.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Chain of custody is managed by WAF. Samples are stored on site and delivered by WAF personnel to BIGS Ouagadougou for sample preparation. Whilst in storage, they are kept under guard in a locked yard. Tracking sheets are used to track the progress of batches of samples.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> WAF personnel completed site visits and data review during the due diligence period prior to acquiring Channel Resources Ltd. No material issues were highlighted. During 2012 AMEC completed a site visit and data review as part of the NI43-101 report dated 29 July 2012. No material issues were noted. In March 2014 Ravensgate completed a site visit and data review as part of this Resource Estimate.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> The Tanlouka Permit covers 78km². The Company currently owns 90% of the permit and has a right to acquire the remaining 10% of the permit following the completion of a positive feasibility study, and making cash and share payments. The Tanlouka Permis de Recherche arrêté No 2012 000321/MCE/SG/DGMG, covers 78km² and is valid until 27 January 2016. All licences, permits and claims are granted for gold. All fees have been paid, and the permits are valid and up to date with the Burkinabe authorities. The payment of gross production royalties are provided for by the Mining Code and the amount of royalty to be paid for ranges from 3% (<US\$1300), 4% (US\$1300-1500) and 5% (>US\$1500).
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Exploration activities on the Tanlouka permit by previous workers have included geological mapping, rock and chip sampling, geophysical surveys, geochemical sampling and drilling, both reverse circulation and core. This work was undertaken by Channel Resources personnel and their consultants from 1994 until 2012.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Tanlouka is located within a strongly arcuate volcano-sedimentary northeast-trending belt that is bounded to the east by the Tiébélé-Dori-Markoye Fault, one of the two major structures subdividing Burkina Faso into three litho-tectonic domains. The geology of the Tanlouka area is characterized by metasedimentary and volcanosedimentary rocks, intruded by mafic, diorite and granodiorite intrusions. The Mankarga 5 area is characterised by a sedimentary pile which is mostly composed of undifferentiated pelitic and psammitic metasediments as well as volcanosedimentary units. This pile has been intruded by a variably porphyritic granodiorite, overprinted by shearing in places, and is generally parallel to sub-parallel with the main shear orientation. In a more regional context, the sedimentary pile appears “wedged” between

Criteria	JORC Code explanation	Commentary
		regional granites and granodiorites. The alteration mineralogy varies from chloritic to siliceous, albitic, calcitic and sericite-muscovite. Gold mineralisation in the project area is mesothermal orogenic in origin and structurally controlled. The project area is interpreted to host shear zone type quartz-vein gold mineralisation. Observed gold mineralization at Mankarga 5 appears associated with quartz vein and veinlet arrays, silica, sulphide and carbonate-albite, tourmaline-biotite alteration. Gold is free and is mainly associated with minor pyrite, chalcopyrite and arsenopyrite disseminations and stringers.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Significant intercepts that form the basis of this Resource Estimate have been released to the ASX in previous announcements (available on the WAF website) with appropriate tables incorporating Hole ID, Easting, Northing, Dip, Azimuth, Depth and Assay Data. Appropriate maps and plans also accompany this Resource Estimate announcement. Drilling completed by Channel Resources is documented in the publically available report “NI 43-101 Technical Report on Mineral Resources for the Mankarga 5 Gold Deposit Tanlouka Property, Burkina Faso for Channel Resources Ltd” prepared by AMEC Consultants and dated 17 August 2012. A complete listing of all drill hole details is not necessary for this report which describes the Mankarga5 Gold Resource and in the Competent Person’s opinion the exclusion of this data does not detract from the understanding of this report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All intersections are assayed on one meter intervals. No top cuts have been applied to exploration results. Mineralised intervals are reported with a maximum of 2m of internal dilution of less than 0.5g/t Au. Mineralised intervals are reported on a weighted average basis.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> The orientation of the mineralised zone has been established and the majority of the drilling was planned in such a way as to intersect mineralisation in a perpendicular manner. However, due to topographic limitations some holes were drilled from less than ideal orientations.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> The appropriate plans and sections have been included in the body of this document
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All grades, high and low, are reported accurately with “from” and “to” depths and “hole identification” shown..
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Preliminary metallurgical test work was completed in 2012, with excellent results. Gold recoveries are up to 95% from oxide bottle roll tests, and up to 92% for sulphide bottle roll tests and a significant proportion of the gold is recoverable by gravity concentration. Additional metallurgical test work is planned.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or 	<ul style="list-style-type: none"> Further infill drilling is planned and is ongoing, aimed at increasing the amount of resource categorized as Indicated

Criteria	JORC Code explanation	Commentary
	<p><i>large-scale step-out drilling).</i></p> <ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Resource. Drilling aimed at increasing the Resource below the current depth extent is also planned. A program of dedicated metallurgical and geotechnical drill holes has commenced. A figure showing proposed work programs is included in the body of this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> WAF's have a central database with data templates set up with lookup tables and fixed formats are used for logging, spatial and sampling data. Data transfer is electronic via e-mail. Sample numbers are unique and pre-numbered bags are used. WAF project geologists also regularly validate assays returned back to drill core intercepts and hard copy results. Data was further validated on import into Minesight Torque. Random checks of assay data from drill hole to database were completed.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> The Competent Person (CP) for the resource estimate, Mr Don Maclean of Ravensgate, visited the Mankarga5 prospect in March 2014. This visit included inspection of drilling, drill sites, viewing local surface geology, and a review of drill core from several diamond holes drilled at Mankarga5 that form part of the resource estimate.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The geological interpretation was based on geological information obtained from WAF's and Channel Resources Aircore, RC and diamond drilling programs. This included lithological, alteration, veining and structural data. WAF carried out a substantial drill hole relogging program of Channel's drilling to improve consistency of logging. The mineralised shear hosting mineralisation can be traced on 100m and 50m spaced sections over almost 3km. The mineralisation interpretation utilised a 0.2 g/t Au edge cut-off for overall shear zone mineralisation. Within this discrete higher grade Hanging-wall and Foot-wall zones were modelled using a 0.5 g/t Au edge cut-off. A 3D geological model of the major lithologies and alteration was constructed and used to assist in guiding the mineralisation interpretation The interpretation was developed by Mr Chris Hughes of WAF and reviewed and refined by the CP. No alternate interpretations were considered as the model developed is thought to represent the best fit of the current geological understanding of the deposit and is supported by surface mapping. In the CP's opinion there is sufficient information available from drilling/mapping to build a reliable geological interpretation that is of appropriate confidence for the classification of the resource (Indicated/Inferred).
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The resource extends over an area of approximately 3,000m of strike, 200m width and is interpreted to a depth of 300m below surface.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. 	<ul style="list-style-type: none"> Geological Interpretations and domains were constructed in cross section in Micromine and then imported and refined in Minesight. The geological and mineralisation domain solids were constructed in Minesight and used subsequent geostatistics, variography, block model domain coding and grade interpolation. Ordinary kriging was selected as the most appropriate method for estimating Au, the main element of economic significance. Samples were composited to 1.5m, which is the most common sample interval A block size of 5m X, 25m Y and 10m Z was selected as an

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<p>appropriate block size for estimation given the drill spacing (50 to 100m strike spacing) and the likely potential future selective mining unit (i.e. appropriate for potential open pit mining). A zone and zone percentage coding was used to accurately represent domain volumes.</p> <ul style="list-style-type: none"> Variography from the main domains indicated a moderate nugget of 45%, with maximum range of 120m (strike), intermediate range of (dip) 55m and minor axis of 9m. Elliptical search ellipses within area domains were used orientated parallel to the orientation of the shear. Search ranges were based on the variograms and were typically 120m along strike, 80m down dip and 30m across strike. Wireframed mineralisation domains were used as “hard boundaries” for estimation. Sub-domains were used where appropriate to estimate differing grade/lithology areas within the main domain. Oxide and transitional mineralisation were estimated separately to the fresh/sulphide mineralisation. WAF have completed an internal company estimate using the same data set and inverse distance squared interpolation. The estimate returned results consistent with the Ordinary Kriged estimate discussed here. High yield limits were used to restrict the influence of high outlier grades. A high yield limit of 3 g/t Au for low grade halo domains and 10 g/t Au for higher grade domains, was used based upon the 99th percentile values on cumulative frequency plots. The high yield limit was restricted to within 15m of an outlier grade. The removal of outlier grades removes approximately 10% of Au metal The block model estimates were validated by visual comparison of blocks to drill hole composites, comparison of composite and block model statistics, generating grade shells and visually assessing them and swath plots of composite versus model grades.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> The tonnages in the estimate are for dry tonnage with no factoring for moisture.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The most likely development scenario for the deposit is as an open cut (pit) mine. Based on this assumption reporting cut-offs of 0.5 g/t Au and 1.0 g/t Au are appropriate with the cut-off dependent on the scale of any potential future operation.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> The project is at an early stage and this precludes any assumptions at this stage of other mining factors No mining dilution has been applied to the reported estimate There are minor artisanal gold workings in the project area. Production from these is understood to be minimal so no mining depletion has been applied to the model.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Preliminary metallurgical test work was completed for Channel Resources in 2012 by SGS Laboratories in Vancouver. Cyanide bottle roll tests returned recoveries of 93% to 95% for oxide and 85% to 92% for sulphide mineralisation. Bucket roll test work to test the amenability of material to processing by heap leach methods returned recoveries of 79% for oxide and 30% for sulphide WAF have drilled an additional 4 metallurgical holes covering the strike extent of the deposit. Results for this drilling was pending at the time of this report.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential 	<ul style="list-style-type: none"> The prospect is at early stage of assessment and no environmental factors have considered in this model estimate. These factors will be evaluated as part of a future scoping study

Criteria	JORC Code explanation	Commentary
	<p><i>environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></p>	<ul style="list-style-type: none"> It is the CP's understanding that no environmental factors have currently been identified which would impact the resource estimate reported here.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> The prospect area is moderately to deeply weathered /oxidised with the top of fresh rock over mineralised zones around 50 to 60 metres below surface. Bulk densities are based upon over 5,000 density measurements completed by WAF (carried out internally) and Channel Resources (carried out by SGS laboratories). Both utilised industry standard immersion techniques. Bulk densities used were 2.2, 2.6 and 2.7 for oxide/transitional and fresh respectively. Regolith domains were constructed, coded into the resource model and used to assign appropriate bulk densities All are dry densities and void spaces in core are understood to be negligible.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> As part of the estimation process a local "Quality of Estimate" algorithm was run for the Au interpolation which reflects the number of samples used to estimate a block, the distance a block is from a sample and the kriging error. The quality of estimate criteria were reviewed spatially and used to assist in resource classification. Areas within the Hanging Wall and Footwall zones that had high confidence estimate values, had sufficient drilling density (<50m spaced drilling) or were proximal to 100m by 25m spaced drill lines were assigned as Indicated Resources. The remainder was classified as Inferred. Based upon the drill spacing, quality of data, current confidence in the geological understanding of the deposit, continuity of mineralisation and grade it is Ravensgate's and the Competent Person's opinion is that the resource estimate meets the JORC 2012 Guidelines criteria to be classified as a Indicated and Inferred Resource.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> The resource estimate was internally Peer Reviewed by Stephen Hyland, Principal Resource Consultant of Ravensgate.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The local "Quality of Estimate" algorithm used to assist in resource classification reflects the number of samples used to estimate a block, the distance a block is from a sample and the kriging error. Blocks which were assigned to the Indicated Category typically were informed by at least 4 drill holes, were less than 55m from the nearest composite, had low kriging errors and had drilling spacing from 50m by 50m to 100m by 25m spacing. The remainder was classified as Inferred. The relative accuracy of the estimate is reflected in the Resource Classification of deposit as per the JORC 2012 Code and is deemed appropriate by the CP. At this stage the bulk estimate is considered to be a global estimate Artisanal miner production is very small and not well documented so reconciliation with the resource estimate reported here is not practical