



West African Resources Limited

(ABN 70 121 539 375)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the three months ended 30 September 2014

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NOTICE TO READERS

The accompanying unaudited condensed consolidated interim financial statements of West African Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. These condensed consolidated interim financial statements for the first quarter of the financial year, being the three months ended 30 September 2014, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Australian Dollars.



Richard Hyde
**Managing Director/
Chief Executive Officer**



Simon Storm
Chief Financial Officer

Perth
Western Australia

Date: 14 November 2014

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WEST AFRICAN RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Note	Consolidated	
		30/09/2014 Unaudited \$	30/06/2014 Audited \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,211,055	2,522,917
Trade and other receivables		54,136	83,741
Financial assets		32,942	32,942
Total Current Assets		1,298,133	2,639,600
NON-CURRENT ASSETS			
Plant & equipment	4	378,376	450,592
Total Non-Current Assets		378,376	450,592
TOTAL ASSETS		1,676,509	3,090,192
CURRENT LIABILITIES			
Trade and other payables	5	405,736	604,697
Total Current Liabilities		405,736	604,697
TOTAL LIABILITIES		405,736	604,697
NET ASSETS		1,270,773	2,485,495
EQUITY			
Issued capital	6	32,173,325	32,173,325
Reserves	7	3,346,785	3,368,039
Accumulated losses		(34,249,337)	(33,055,869)
TOTAL EQUITY		1,270,773	2,485,495

The accompanying notes are an integral part of these consolidated interim financial statements

WEST AFRICAN RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2014

	Consolidated	
	3 months ended 30-Sep-14 \$	3 months ended 30-Sep-13 \$
Revenue from continuing operations	2,913	4,631
Foreign exchange gain	26,554	20,542
Regulatory and compliance expense	(39,185)	(44,717)
Office expense	(30,462)	(26,372)
Depreciation expense	(73,872)	(131,349)
Personnel expense	(45,812)	(33,750)
Travel and accommodation expense	(7,046)	217
Property expense	(24,681)	(13,785)
Consulting fee expense	(61,982)	(91,926)
Audit fees	(8,557)	(11,682)
Director's fees	(26,250)	(17,500)
Share based payments	(6,162)	(152,427)
Exploration related costs	(898,926)	(1,174,940)
Loss before tax	(1,193,468)	(1,673,058)
Income tax benefit	-	-
Loss after tax	(1,193,468)	(1,673,058)
Other comprehensive income:		
Items that may be reclassified		
subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	(27,416)	17,420
Other comprehensive income, net of income tax	(27,416)	17,420
Total comprehensive loss for the year attributable to the owners of West African Resources Ltd	(1,220,884)	(1,655,638)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company		
Basic loss per share (cents per share)	(0.4)	(0.8)

Diluted loss per share is not disclosed as
it is not materially different to basic loss
per share

WEST AFRICAN RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2014

	Consolidated	
	3 months ended 30-Sep-14 \$	3 months ended 30-Sep-13 \$
	Inflows/(Outflows)	
Cash Flows from Operating Activities		
Payments to suppliers and employees	(246,437)	(176,379)
Exploration related expenditure	(1,071,662)	(1,259,535)
Purchase of prospects and investments	-	(61,241)
Interest received	6,913	3,225
Net cash outflow from operating activities	(1,311,186)	(1,493,930)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(736)	(786)
Payment for office deposit	(7,358)	-
Cash paid for acquisition of Channel	-	(1,567,411)
Net cash outflow from investing activities	(8,094)	(1,568,197)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	2,858,265
Share issue related costs	-	(174,717)
Net cash inflow from financing activities	-	2,683,548
Net (decrease) in cash held	(1,319,280)	(378,579)
Cash at the beginning of the financial year	2,522,917	3,328,461
Effect of exchange rate changes on the balance of cash held in foreign currencies	7,418	41,489
Cash at the end of the financial period	1,211,055	2,991,371

WEST AFRICAN RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Consolidated				
	Issued Capital	(Accumulated Losses)	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	20,508,445	(19,019,256)	42,334	1,835,246	3,366,769
Shares issued during the year net of transaction costs	2,683,461	-	-	-	2,683,461
Loss after tax	-	(1,673,058)	-	-	(1,673,058)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	17,420	-	17,420
Share based payments	-	-	-	152,427	152,427
Balance at 30 September 2013	23,191,906	(20,692,314)	59,754	1,987,673	4,547,019
Balance at 1 July 2014	32,173,325	(33,055,869)	428,304	2,939,735	2,485,495
Loss after tax	-	(1,193,468)	-	-	(1,193,468)
Net exchange differences on translation of the financial reports of foreign subsidiaries	-	-	(27,416)	-	(27,416)
Share based payments	-	-	-	6,162	6,162
Balance at 30 September 2014	32,173,325	(34,249,337)	400,888	2,945,897	1,270,773

WEST AFRICAN RESOURCES LIMITED

ABN 70 121 539 375

(An Exploration Stage Company)

Notes to Consolidated Interim Financial Statements

30 September 2014

(Unaudited - expressed in Australian Dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

West African Resources Ltd. ("the Company" or "West African") is a public company, incorporated in Australia and operating in Australia and Burkina Faso. The Company was incorporated on 1 September 2006 as a proprietary company and converted to a public company on 16 November 2007. The company listed on the ASX on 11 June 2010. West African is a mineral exploration company focused on building shareholder value through the identification, acquisition, exploration and development of mineral projects. The Company's current portfolio includes mineral rights in a gold project in Burkina Faso.

The Company is in the process of exploring its mineral property rights and has not yet determined whether these exploration property interests contain economically recoverable mineral reserves. The underlying value and recoverability of these resource assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete exploration and development, and the future profitable production and/or disposition thereof.

These condensed consolidated interim financial statements ("Interim Financial Statements") have been prepared on the basis that the Company will continue as a going-concern, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. The Company finances its operations through the issue of ordinary shares. The Company has no source of operating revenue and continued operations are dependent on the Company's ability to raise further funding through equity issues, sales of assets or through participation in profitable future operations. These Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue its business.

2 BASIS OF PRESENTATION

(a) Statement of Compliance

These Interim Financial Statements have been prepared in accordance with *International Financial Reporting Standard 34, "Interim Financial Reporting"* ("IAS 34"). They do not include all the information and notes required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 30 June 2014 ("2014 Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Results for the period ended 30 September 2014 are not necessarily indicative of the results for the full fiscal year ending 30 June 2015.

These Interim Financial Statements have been prepared using accounting policies consistent to those used in the 2014 Annual Financial Statements, and were authorised for publication by the Company's board of directors on 14 November 2014.

(b) Principles of Consolidation

The consolidated financial statements comprise the financial statements of West African Resources Limited and its subsidiaries ("the Group"). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which West African Resources Limited has control.

(c) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(d) Income Tax

The income tax expense or benefit for the year is based on the profit or loss for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date.

Deferred tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(e) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Exploration, Evaluation and Development Expenditure

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against profit in the year in which the decision to abandon the tenement is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

(g) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

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Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(h) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(i) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(j) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

(k) Issued Capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(l) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(m) Critical accounting estimates and judgments

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

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(n) Share Based Payments

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes or Binomial option pricing models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(o) Foreign currency translation

Both the functional and presentation currency of West African Resources Limited and its Australian subsidiary is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the foreign subsidiaries, Wura Resources Pty Ltd SARL, Swan Resources SARL, Hawthorn Resources SARL, West African Resources Exploration SARL, West African Resources Development SARL, West African Resources Ltd SARL and Tanlouka SARL is the Communaute Financiere Africaine Franc (CFA). The functional currency of the foreign subsidiary, Channel Resources Ltd is the Canadian Dollar (CAD). The functional currency of the foreign subsidiaries, Channel Resources (Cayman I) Ltd and Channel Resources (Cayman II) Ltd is the United States Dollar (USD).

As at the reporting date the assets and liabilities of this subsidiary are translated into the presentation currency of West African Resources Limited at the rate of exchange ruling at the balance sheet date and their income statements are translated at the exchange rate at the year end.

The exchange differences arising on the translation are taken directly to a separate component of equity.

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On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(p) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

(q) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition,

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Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(r) Acquisitions outside of the scope of AASB 3 Business Combinations

Where the Group has acquired control of another entity which principally holds exploration assets, or assets in predevelopment, and that entity has no reserves, the substance of the transaction is reviewed. If the sole purpose of the transaction is to increase the resource base of the Group, and the vehicle containing the assets was of no consequence to the underlying substance of the transaction, the transaction is viewed to be outside of the scope of AASB 3 Business Combinations.

The acquisitions of Channel Resources Limited are outside of the scope of AASB 3 Business Combinations as they did not meet the definition of "business" according to that standard. The acquisition of the net assets of these companies, excluding the cash and the financial assets, meets the definition of, and has been accounted for as, a share-based payment transaction for the acquisition of assets.

2 SEGMENT REPORTING

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of West African Resources Ltd.

The Group operates only in one business and geographical segment being predominantly in the area of mineral exploration in the Boulsa Gold Project in Burkina Faso, Africa. The Group considers its business operations in mineral exploration to be its primary reporting function.

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3 CASH AND CASH EQUIVALENTS

	Consolidated	
	30/09/2014	30/06/2014
	\$	\$
Cash at bank and in hand	74,972	408,604
Deposits at call	1,136,083	2,114,313
	1,211,055	2,522,917

4 PLANT & EQUIPMENT

	Consolidated Group				
	Buildings	Office Equipment	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2014					
At 1 July 2013, net of accumulated depreciation	21,897	35,948	377,709	158,974	594,528
Effects of movement in foreign exchange	626	1,344	11,369	5,252	18,591
Additions	-	28,147	160,379	-	188,526
Depreciation charge for the year	(10,815)	(28,913)	(205,790)	(105,535)	(351,053)
At 30 June 2014, net of accumulated depreciation	11,708	36,526	343,667	58,691	450,592
3 months ended 30 September 2014					
At 1 July 2014, net of accumulated depreciation	11,708	36,526	343,667	58,691	450,592
Effects of movement in foreign exchange	11	134	737	38	920
Additions	-	736	-	-	736
Depreciation charge for the year	(2,603)	(6,180)	(50,785)	(14,304)	(73,872)
At 30 September 2014, net of accumulated depreciation	9,116	31,216	293,619	44,425	378,376
At 30 June 2014					
Cost	31,588	153,847	1,225,420	776,224	2,187,079
Accumulated depreciation	(19,880)	(117,321)	(881,753)	(717,533)	(1,736,487)
Net carrying amount	11,708	36,526	343,667	58,691	450,592
At 30 September 2014					
Cost	31,728	155,475	1,230,854	779,666	2,197,723
Accumulated depreciation	(22,612)	(124,259)	(937,235)	(735,241)	(1,819,347)
Net carrying amount	9,116	31,216	293,619	44,425	378,376

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(Unaudited - expressed in Australian Dollars)

5 TRADE & OTHER PAYABLES

	Consolidated	
	30/09/2014	30/06/2014
	\$	\$
Current		
Trade payables	231,003	422,325
Accruals	136,870	141,023
Other payables	37,863	41,349
	405,736	604,697

Trade payables are non-interest bearing and are normally settled on 30-day terms.

6 ISSUED CAPITAL

	Consolidated	
	30/09/2014	30/06/2014
	\$	\$
270,301,498 (30 June 2014: 270,301,498) fully paid ordinary shares	32,173,325	32,173,325

(a) Shares

(i) Ordinary shares - number

	2014	2013
	No.	No.
At start of period	270,301,498	196,131,467
Issue of shares 5 September 2013	-	19,054,516
Issue of shares 17 January 2014	-	29,837,123
Issue of shares 17 January 2014	-	2,199,631
Issue of shares 4 April 2014	-	23,078,761
Balance at 30 September 2014	270,301,498	270,301,498

(ii) Ordinary shares – value

	Consolidated	
	30/09/2014	30/06/2014
	\$	\$
At start of period	32,173,325	20,508,445
Issue of shares 5 September 2013	-	2,858,178
Issue of shares 17 January 2014	-	5,967,425
Issue of shares 17 January 2014	-	285,952
Issue of shares 4 April 2014	-	3,000,239
Share issue costs	-	(446,914)
Balance at 30 September 2014	32,173,325	32,173,325

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6 ISSUED CAPITAL (cont.)

(b) Options

	Consolidated	
	30/09/2014 No.	30/06/2014 No.
At start of period	9,735,899	13,796,792
Options lapsed	-	(7,250,000)
Issue of options 27 November 2013	-	1,935,357
Issue of options 17 January 2014	-	1,365,000
Expiry of options	(1,100,000)	(111,250)
Balance at 30 September 2014	8,635,899	9,735,899

At the date of the report unissued ordinary shares of the Group under option are:

	Exercise price	Date of Expiry	Number of Options		
			Balance at 30 June 2014	Lapsed during the quarter	Outstanding at 30 September 2014
Issue of options 1 July 2011	0.40-0.45	07-Jul-14	1,100,000	(1,100,000)	-
Issue of options 20 January 2012	0.48	20-Jan-15	2,500,000	-	2,500,000
Issue of options 12 June 2012	0.25	12-Jun-15	575,000	-	575,000
Issue of options 17 September 2012	0.30	17-Sep-15	200,000	-	200,000
Issue of options 16 January 2013	0.40	17-Jan-17	2,171,792	-	2,171,792
Issue of options 27 November 2013	0.40	17-Jan-17	1,935,357	-	1,935,357
Issue of options 17 January 2014	0.42-1.66	5-Nov-14-26-Jul-17	1,253,750	-	1,253,750
Total			9,735,899	(1,100,000)	8,635,899

(c) Warrants

	Consolidated	
	30/09/2014 No.	30/06/2014 No.
At start of period	14,918,508	-
Issue of warrants 17/1/14	-	14,918,508
Balance at 30 September 2014	14,918,508	14,918,508

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6 ISSUED CAPITAL (cont.)

At the date of the report unissued ordinary shares of the Group under warrant are:

Grant date	Exercise Price \$	Date of Expiry	Consolidated	
			30/09/2014 Number of Warrants	30/06/2014 Number of Warrants
Issue of warrants 17/01/2014	0.40	17-Jan-17	14,918,508	14,918,508

7 RESERVES

	Consolidated	
	30/09/2014 \$	30/06/2014 \$
Reserves	3,346,785	3,368,039

Reserves comprise the following:

Foreign Currency Translation Reserve

At start of period	428,304	42,334
Currency translation differences	(27,416)	385,970
Balance at 30 September 2014	400,888	428,304

Share Based Payments Reserve

At start of period	2,939,735	1,835,246
Options issued - share based payment	-	229,020
Options issued - share issue costs	-	86,898
Warrants issued - investment	-	734,252
Options issued - investment	-	54,319
Options issued - share based payment expense	6,162	-
Balance at 30 September 2014	2,945,897	2,939,735

8 DIVIDENDS

No dividends have been paid or declared payable since the start of the financial period.

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9 RELATED PARTY DISCLOSURE

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	
		30/09/2014 %	30/06/2014 %
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	100
Channel Resources Ltd	Canada	100	100
<i>which owns</i>			
Channel Resources (Cayman I) Ltd	Cayman	100	100
<i>which owns</i>			
Channel Resources (Cayman II) Ltd	Cayman	100	100
<i>which owns</i>			
Tanlouka SARL	Burkina Faso	100	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 due to the company (and other parties) will be dependent on the commercialisation of the mining assets owned by the subsidiaries.

	Consolidated	
	3 months ended	
	30/09/2014	30/09/2013
Amounts owed by / (to) Related Parties	\$	\$
Amounts payable to Directors for Directors Fees (including GST)	52,792	8,750
Amounts payable to Directors for Consulting Fees (including GST)	4,164	-

Further information with respect to related party transactions are included in Note 10.

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10 DIRECTORS AND EXECUTIVE DISCLOSURES

(a) 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)

(b) Compensation of Key Management Personnel

	Consolidated	
	3 months ended	
	30/09/2014	30/09/2013
	\$	\$
Short-term employee benefits	107,900	103,871
Share-based payments	6,162	152,427
	114,062	256,298

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10 DIRECTORS AND EXECUTIVE DISCLOSURES (cont.)

(c) 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	
	3 months ended	
	30/09/2014	30/09/2013
	\$	\$
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.	24,425	26,546
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
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.	8,750	178,741
The Director, Mr Ross (resigned 28/2/14), 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	-	8,750
The Director, Mr Lulin (appointed 29 January 2014), is paid directors fees of \$8,750 / quarter	8,750	-
The Director, Mr Jones (appointed 28 February 2014), is paid directors fees of \$8,750 /	8,750	-
	120,675	284,037

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11 CONTINGENT LIABILITIES

On 5 March 2014, the Company through Channel Resources Limited and its Group subsidiary, Channel Resources (Cayman II) Ltd, entered into an agreement to acquire the remaining 10% of the Tanlouka Permit, part of the Boulsa Project, Burkina Faso. The acquisition will take the Group 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; and
- the 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.

Other Contingencies

At the date of this report, the authorities in Burkina Faso are lodging claims with various exploration companies operating in Burkina Faso for withholding taxes on payments of various non resident service providers and the regulation of the contracts of expatriate staff in accordance with taxation regulations in force. Whilst the Company believes it has complied with local regulations, some aspects of the regulations are open to interpretation. The Company has not received any formal claim and in the event of one being received, the effect, if any, that these claims will have, or which future claims will have on the consolidated entity's operations in Burkina Faso is not yet known.

12 CONTINGENT ASSET

There are no contingent assets at 30 September 2014.

13 SUBSEQUENT EVENTS AFTER THE REPORTING DATE

Subsequent to the end of the reporting date, the Company signed a Committed term sheet with the Metals & Energy Capital Division of Macquarie Bank Ltd to provide a two-year US\$5 million convertible loan facility to fully fund the completion of the Company's feasibility study for the Mankarga 5 heap leach gold project in Burkina Faso.

Other than this, there has not arisen in the interval between the end of the September 2014 quarter end and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.