2022

WEST
AFRICAN
RESOURCES
LIMITED

Half-year Financial Report

30 June 2022

TABLE OF CONTENTS

Mineral Resources, Ore Reserves, Production Targets and Exploration Results

The Company's estimates of Ore Reserves for the Toega Deposit referred to in this report are set out in the announcement titled "WAF Resource, Reserve and production guidance update 2022" released on 22 February 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates of Ore Reserves for the Toega Deposit in that announcement continue to apply and have not materially changed.

The Company's estimates of Mineral Resources and Ore Reserves for the Kiaka Project referred to in this report are set out in the announcement titled "Kiaka Feasibility Delivers 4.5Moz Reserve, 18.5 year Mine Life" released on 3 August 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves for the Kiaka Project in the announcement continue to apply and have not materially changed.

The production target referred to in this report for the Kiaka Project was set out in the Company's announcement titled "Kiaka Feasibility Delivers 4.5Moz Reserve, 18.5 year Mine Life" released on 3 August 2022. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from it continue to apply and have not materially changed.

The Exploration Results referred to in this report for MV3 were set out in the Company's announcement titled "WAF hits 13m at 5.3 g/t gold in first pass drilling at MV3" released on 31 May 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement.

Forward-looking Statement

This report may contain certain forward-looking statements and opinions including projections, forecasts and estimates (together forward looking statements) which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, contingencies, assumptions and other factors, many of which are outside the control of the Company all which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Forward looking statements are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy of any forward looking statements or likelihood of achievement or reasonableness of any forward looking statements. Past performance is not necessarily a guide to future performance. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

CORPORATE INFORMATION

Company
West African Resources Limited

ABN
70 121 539 375

ASX
ASX trading code: **WAF**

Directors
Richard Hyde (Executive Chairman and CEO)
Lyndon Hopkins (Executive Director and COO)
Rod Leonard (Lead Independent Director)
Libby Mounsey (Non-Executive Director)
Nigel Spicer (Non-Executive Director)
Stewart Findlay (Non-Executive Director)

Company Secretary and CFO
Padraig O'Donoghue

Share registry
Computershare Investor Services Pty Ltd
Level 11, 172 St George's Terrace
Perth WA 6000 Australia
T: +61 (8) 9323 2000

Website
www.westafricanresources.com

Principal place of business
Level 1, 1 Alvan Street
Subiaco WA
Australia 6008

SOMISA office
Secteur 27, Quartier Ouayalghin,
Parcelle 07, Lot 22, Section SL,
Ouagadougou, Burkina Faso
T: +226 2539 5845

Kiaka SA office
Secteur 53, Parcelle 06,
Lot 12, Section 480, Zone A7
Ouagadougou, Burkina Faso
T: +226 2537 4974 / 75 / 76

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000 Australia

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report of West African Resources Limited (the '**Company**') and its controlled subsidiaries (the "**Group"**, "**West African"** or "**WAF"**) for the half-year ended 30 June 2022.

BOARD OF DIRECTORS

The Directors of the Company who held office during the half year and until the date of this report are presented below. All Directors were in office for the entire period.

Name	Title	Committee Memberships
Richard Hyde	Executive Chairman and Chief Executive Officer	Risk & Technical
Lyndon Hopkins	Executive Director and Chief Operating Officer	Risk & Technical
Rod Leonard	Lead Independent Non-Executive Director	Risk & Technical; Audit; Remuneration
Libby Mounsey	Non-Executive Director	Remuneration
Nigel Spicer	Non-Executive Director	Risk & Technical*; Audit
Stewart Findlay	Non-Executive Director	Audit*; Remuneration*

* Denotes the committee chair

COMPANY SECRETARY

Padraig O'Donoghue Company Secretary and Chief Financial Officer

PRINCIPAL ACTIVITIES

During the half year, the principal activities of the Group were comprised of:

- operating the Sanbrado Gold Project ("**Sanbrado**"), located in Burkina Faso;
- mineral exploration on the Group's licence holdings in Burkina Faso;
- conducting Feasibility Study, Environmental and Social Impact Assessment ("**ESIA**"), and Resettlement Action Plan ("**RAP**") activities for the Kiaka Gold Project ("**Kiaka**"), located in Burkina Faso; and
- conducting Feasibility Study, ESIA, and RAP activities for the Toega gold deposit ("**Toega**"), located in Burkina Faso.

Sanbrado and Kiaka are held under mining licences 90%-owned by WAF, with the government of Burkina Faso owning the remaining 10%. All exploration licences in WAF's portfolio are 100%-owned by WAF. Toega is held under an exploration licence, with the application for a mining licence in progress.

SUSTAINABILITY

On 31 March 2022, WAF published its inaugural 2021 Annual Sustainability Report, which was prepared following the Global Reporting Initiative (GRI) 2021 Universal Standards for sustainability reporting. Interested parties are encouraged to obtain a copy of the 2021 Annual Sustainability Report from the Company's website.

REVIEW OF FINANCIAL RESULTS FOR THE HALF YEAR

SUMMARY

	Unit	**1st half 2022 $'000**	1st half 2021 $'000	% Difference
Revenue		**322,324**	266,770	21% ↑
Profit after tax		**106,573**	73,257	43% ↑
Operating cash flow		**99,320**	101,067	2% ↓
Free cash flow		**41,272**	48,813	15% ↓
Gold ounces sold	oz	**123,561**	113,632	9% ↑
Average sales price per ounce (USD)	US$/oz	**1,866**	1,805	3% ↑
All in sustaining cost ("**AISC**") per ounce sold (USD)	US$/oz	**947**	943	- -

REVENUE AND EARNINGS

Gold revenue in the 1st half 2022 was 21% higher than the comparative period with 9% more gold ounces sold and an 11% higher average AUD gold price. The higher gold ounces sold reflect that more ounces were produced at Sanbrado. Refer to the 'Operating Review' section of this report for an analysis of Sanbrado gold production versus the comparative period. The Group's revenue in the half year was almost exclusively comprised of gold sales.

The key components of gold sales revenue are contained in the below table.

	Unit	**1st half 2022**	1st half 2021
Gold sales revenue	A$'000	**320,535**	265,999
Gold ounces sold	oz	**123,561**	113,632
Average sales price per ounce AUD	A$/oz	**2,594**	2,341
Average sales price per ounce USD	US$/oz	**1,866**	1,805
Average FX rate used for USD conversion	AUD/USD	**0.7194**	0.7710

Cost of sales were 16% higher than the comparative period reflecting 9% more gold ounces sold (as explained above) at a 5% higher 'adjusted operating cost per ounce' (when measured in AUD). The section of this report titled 'Unit Cost Performance' provides further analysis of the Group's unit cost performance for gold production.

Exploration and evaluation ("**E&E**") expenses of $4,174,000 relate to the MV3 prospect near Sanbrado and regional exploration (refer to the 'Growth Review' section of this report for further information on MV3). Corporate and technical services were $1,241,000 more than the comparative period due to higher salary, listed entity, and international travel costs following the purchase of Kiaka and easing of COVID travel restrictions. The increase in 'other expenses' of $4,511,000 reflects a larger amount of withholding taxes on funds repatriated from Burkina Faso. Finance expenses were $13,799,000 (93%) below the comparative period following repayment of the Taurus finance facility in November 2021.

UNIT COST PERFORMANCE

The 'Adjusted operating cost', 'all-in sustaining cost' ("**AISC**"), and 'all-in cost' are unit cost performance metrics recommended by the World Gold Council for use in the gold mining industry, but they are not defined by Australian Accounting Standards Board rules (i.e. they are non-AASB measures). WAF follows the World Gold Council's guidelines in the calculation of these metrics.

The following table presents these non-AASB unit cost performance metrics for the Group including the underlying (or absolute) measures from which they are calculated.

GOLD PRODUCTION UNIT COST PERFORMANCE

Underlying measure	**Unit**	**1st half 2022**	1st half 2021
Gold sold	oz	**123,561**	113,632
Gold revenue	A$'000	**320,535**	265,999
OP mining cost	A$'000	**34,932**	40,122
UG mining cost	A$'000	**17,667**	13,715
Processing cost	A$'000	**37,470**	27,778
Site administration cost	A$'000	**14,653**	14,317
Change in inventory	A$'000	**(6,166)**	(8,605)
Royalties & production taxes	A$'000	**20,089**	16,135
Refining and by-product	A$'000	**(158)**	(13)
Adjusted operating cost	**A$'000**	**118,488**	103,448
Rehabilitation	A$'000	**857**	911
Capital development	A$'000	**27,105**	18,155
Sustaining capital	A$'000	**6,986**	10,004
Sustaining leases	A$'000	**4,186**	2,680
Corporate and technical services	A$'000	**3,721**	2,480
Share-based payments	A$'000	**1,266**	1,248
All-in sustaining cost	**A$'000**	**162,608**	138,926
Exploration & evaluation non-sustaining	A$'000	**10,563**	4,656
Capex non-sustaining	A$'000	**7,875**	1,494
All-in cost	**A$'000**	**181,046**	145,076
Performance metrics per gold ounce sold			
Adjusted operating cost per ounce	A$/oz	**959**	910
All-in sustaining cost per ounce	A$/oz	**1,316**	1,223
All-in cost per ounce	A$/oz	**1,465**	1,277
Average sales price per ounce	A$/oz	**2,594**	2,341
Average FX rate used for USD unit costs	AUD/USD	**0.7194**	0.7710
Adjusted operating cost per ounce	US$/oz	**690**	702
All-in sustaining cost (AISC) per ounce	US$/oz	**947**	943
All-in cost per ounce	US$/oz	**1,054**	984
Average sales price per ounce	US$/oz	**1,866**	1,805

The average AISC per ounce of US$947 for the 1st half of 2022 was in-line with the comparative period. The average 'all-in cost per ounce' of US$1,054 was 7% higher than the comparative period reflecting increased E&E and capital expenditure related to Kiaka and Toega (refer to the 'Growth Review' section of this report for further information on Kiaka and Toega).

Reconciliation of non-AASB measures to consolidated financial statements

A reconciliation of the 'adjusted operating cost per ounce' and AISC per ounce presented in the previous section of this report to the Group's Consolidated Financial Statements is presented below:

Description	Financial Statement reference*	1st half 2022 $'000	1st half 2021 $'000
Cost of sales	P/L	**145,501**	125,952
(Less)/plus items:			
Depreciation	Note 4	**(30,363)**	(25,140)
Non-cash inventory movements	Note 4	**4,001**	3,126
By-product credits	N/A	**(651)**	(490)
Adjusted operating cost		**118,488**	103,448
(Less)/plus items:			
Reclamation & remediation (accretion & amortisation)	N/A	**857**	911
Corporate and technical services	P/L	**3,721**	2,480
Share-based payments	P/L	**1,266**	1,248
Capital development	Note 9	**27,105**	18,155
Sustaining capital	N/A	**6,986**	10,004
Sustaining leases	CF	**4,186**	2,680
Total All-in sustaining cost (AISC)		**162,608**	138,926
Gold sold (ounces)		**123,561**	113,632
Adjusted operating cost per ounce ($A/oz)		**959**	910
AISC per ounce (A$/oz)		**1,316**	1,223

* The Financial Statement references in above table are abbreviated as follows:
- P/L = Consolidated Statement of Profit or Loss and Other Comprehensive Income
- CF = Consolidated Statement of Cash Flows
- N/A = A direct cross reference to the Financial Statements is not available. Sustaining capital excludes growth-related capital.

BALANCE SHEET

Net assets increased by $94,643,000 over the previous period end (31 December 2021), with a $55,112,000 increase in total assets and $39,531,000 decrease in total liabilities.

Key asset movements:
Cash and cash equivalents increased by $38,373,000. Restricted cash, which represents funds statutorily held in trust to cover Sanbrado rehabilitation costs, increased by $7,260,000. Inventories increased by $11,490,000 primarily relating to higher finished goods and gold-in-circuit inventory caused by the timing of gold pours and gold sales near period end. Trade and other receivables decreased by $9,893,000 mainly due to value added tax (VAT) refunds received from the Burkina Faso government and a reduction in prepayments. Property plant and equipment increased by $5,494,000 in the half year, mainly related to open pit capitalised stripping, continued decline development of the M1S underground, ongoing works on the tailings and water storage facilities, and process plant improvements at Sanbrado, offset by $28,161,000 of depreciation expense. E&E assets increased by $5,323,000 in the half year to advance Kiaka and Toega.

Key liabilities movements:
Current taxes payable decreased by $46,409,000 reflecting the payment of $84,750,000 of Burkina Faso income tax on Sanbrado's 2021 profit, partially offset by accrued current income tax expense for the 1st half of 2022.

CALCULATION OF NET CASH POSITION	30 June 2022 $'000	31 December 2021 $'000
Cash and cash equivalents	**221,747**	183,374
Less: Loans and borrowings	**(14,048)**	(13,118)
Net cash position	**207,699**	170,256

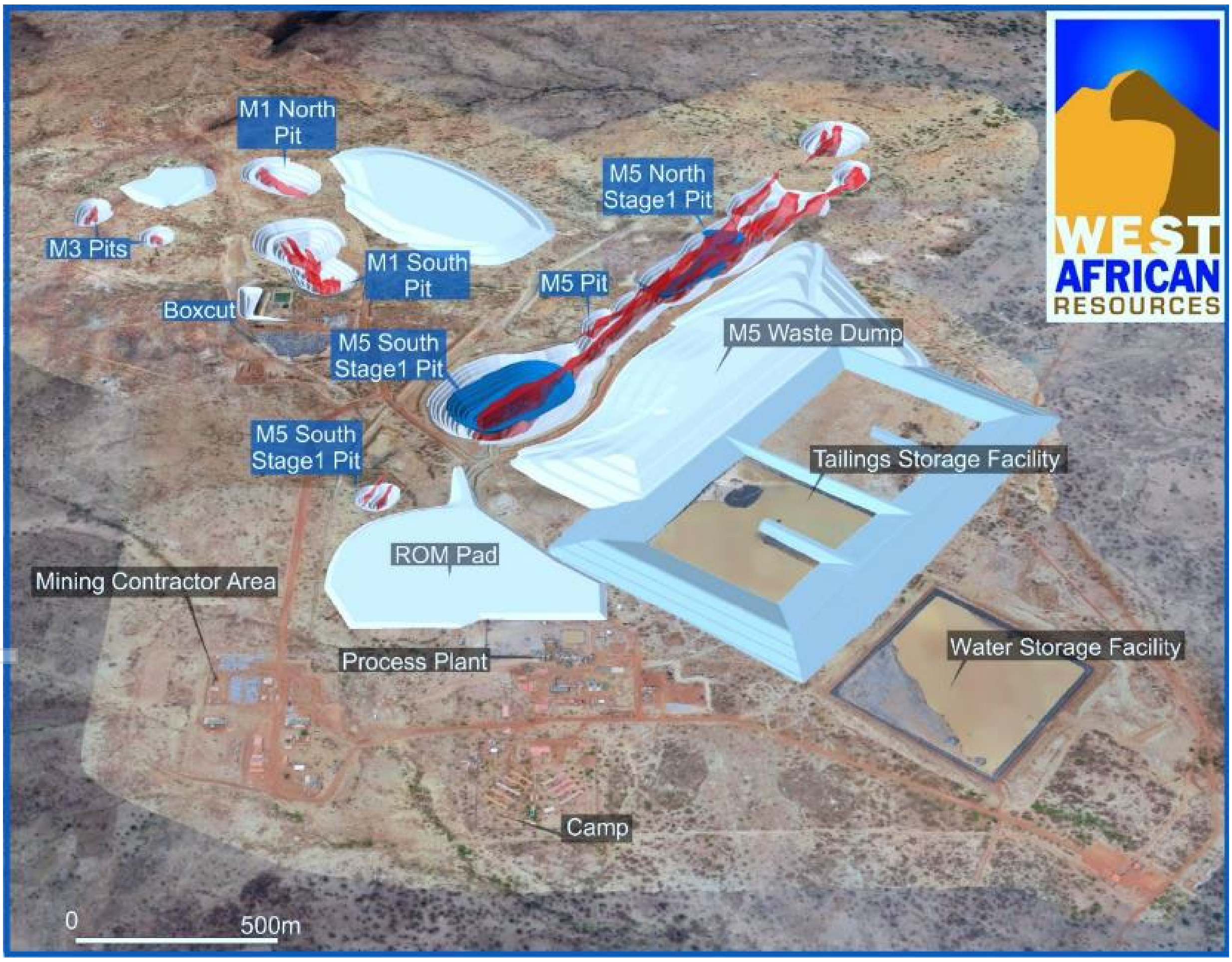
The net cash position increased by $37,442,000 (22%) in the half year ended 30 June 2022.

CASH FLOW

CALCULATION OF FREE CASH FLOW	1st half 2022 $'000	1st half 2021 $'000
Net increase / (decrease) in cash held in the period	**41,051**	(34,838)
Add / (subtract):		
Repayments of borrowings	**-**	84,173
Proceeds from issue of shares	**(120)**	-
Proceeds from exercise of share options	**-**	(544)
Payments for share issue costs	**341**	22
Free cash inflow	**41,272**	48,813

Operating cash flow was $1,747,000 (2%) below the comparative period mainly due to $53,968,000 higher receipts from customers offset by $59,347,000 more income tax paid. Free cash flow was $7,541,000 (15%) below the comparative period with lower interest and financing cost payments offset by higher expenditure on property plant and equipment ("PPE") at Sanbrado, higher capitalised exploration and evaluation expenditure for Kiaka and Toega, and higher profit distribution to the Burkina Faso government on their 10% minority interest in Sanbrado.

Site layout of Sanbrado



OPERATING REVIEW FOR THE HALF YEAR

SANBRADO PRODUCTION STATISTICS

The 1st half 2022 production statistics for Sanbrado are contained in the following table, along with the comparative period.

PRODUCTION STATISTICS FOR SANBRADO	Unit	1st half 2022	1st half 2021
OP mining			
Total movement	BCM '000	4,481	4,731
Total movement	kt	11,212	12,326
Strip ratio	w:o	6.5	7.5
Ore mined	kt	1,485	1,449
Mined grade	g/t	1.5	1.8
Contained gold	oz	73,732	83,425
UG mining			
Ore mined	kt	198	166
Mined grade	g/t	9.9	9.2
Contained gold	oz	62,952	48,949
Processing			
Ore milled	kt	1,527	1,525
Head grade	g/t	2.8	2.6
Recovery	%	93.7	94.0
Gold produced	**oz**	**130,021**	**119,433**
Gold poured	oz	128,362	119,104
Gold sold	oz	123,561	113,632

UNDERGROUND MINING

Contained gold from underground mining at Sanbrado was 29% higher than the comparative period reflecting 19% more ore tonnes mined at an 8% higher average grade.

OPEN PIT MINING

Contained gold from open pit mining at Sanbrado was 12% lower than the comparative period due to a lower average mined grade, with minimal difference in ore tonnes mined. The lower grade mainly reflects the scheduled completion of the high-grade M1 South open pit in the first quarter of 2022.

PROCESSING

The Sanbrado process plant continued its reliable performance during the half year, processing ore from both open pits and underground. Gold ounces produced were 9% higher than the comparative period due to an 8% higher average head grade in the mill-feed blend, with a consistent quantity of ore tonnes milled.

GROWTH REVIEW

KIAKA

Background

Kiaka is a fully permitted gold mining project located 110 km southeast of the Burkina Faso capital, Ouagadougou, and 45 km south of WAF's Sanbrado Gold Operations. It is accessed from Ouagadougou via 100 km of sealed road, and then by 40 km of all-weather dirt road to site. WAF purchased its 90% ownership interest in Kiaka from B2Gold Corp and their partner GAMS-Mining F&I Ltd on 30 November 2021.

Kiaka Feasibility Study

During the half year WAF progressed its Feasibility Study for Kiaka and post half-year, on 3 August 2022, WAF released an ASX announcement containing its maiden Ore Reserve for Kiaka along with the positive results from its Kiaka Feasibility Study. Highlighted physical and financial metrics from the announcement are contained in the following two tables.

Kiaka Feasibility Study announcement 3 August 2022 – Key Physical Metrics

Base case, stated on a 100% basis	
Production Years 1 to 5	Average 233,000 oz/year
Production life of mine	Average 219,000 oz/year
Strip Ratio	1.8 : 1 (waste : ore)
Mineral Resource Estimate	279.2Mt at 0.9g/t for 7.7Moz gold (5.8Moz Indicated, 1.7Moz Inferred, open-pit constrained at US$1800/oz)
Probable Mineral Reserves	155Mt at 0.9 g/t for 4.5Moz gold (at US$1400/oz)
Life of mine gold recovery	90% average, recovering 4.1Moz gold
Mine Life	18.5 years

Kiaka Feasibility Study announcement 3 August 2022 – Key Financial Metrics

Base case: stated on a 100% basis, and assumed average gold price per ounce of US$1,750	
Pre-production capex	US$430 million of pre-production capital expenditure (including pre-production mining & development costs, contingencies, duties & taxes)
AISC[1,2] Years 1 to 5	Average All-in Sustaining Costs (AISC) of US$953/oz (A$1,361/oz)
AISC life of mine	Average All-in Sustaining Costs (AISC) of US$1,052/oz (A$1,503/oz)
Life of mine free cashflow	Pre-tax free cashflow of US$2,361 million (A$3,373 million) Post-tax free cashflow of US$1,723 million (A$2,462 million)
NPV at 5% discount rate	Pre-tax NPV of US$1,231 million (A$1,758 million) Post-tax NPV of US$856 million (A$1,223 million)
IRR and pay-back period	Post-tax internal rate of return (IRR) of 21.4% and 3.25-year pay back on pre-production capital

1) At assumed USD: AUD FX rate of 0.70.
2) AISC includes all mining and processing costs, site administration, royalties, refining and site rehabilitation costs, sustaining capital, closure costs but excludes head office corporate costs.

Construction update

During the 1st half of 2022, WAF commenced early works at Kiaka including upgrading site access roads and conducting sterilisation drilling over the planned project infrastructure areas. Updates to the ESIA and RAP for Kiaka are in progress with completion dates expected to align with the project development schedule.

GROWTH NEAR SANBRADO

Toega

The Toega gold deposit is held under an exploration licence 100%-owned by WAF. It is located within trucking distance (14 km southwest) of the Sanbrado gold processing plant.

On 22 February 2022, WAF announced a maiden Ore Reserve for Toega on the ASX of 9.7 million tonnes at a grade of 1.9 g/t gold for 580,000 contained ounces with a strip ratio (waste : ore) of 5.4:1. The announcement included a 10-year production target with Toega Ore Reserves included in the Sanbrado process schedule from 2024.

Work to complete Toega's mining licence application is progressing well, with the Feasibility Study completed and the ESIA and RAP documents undergoing the regulatory review process.

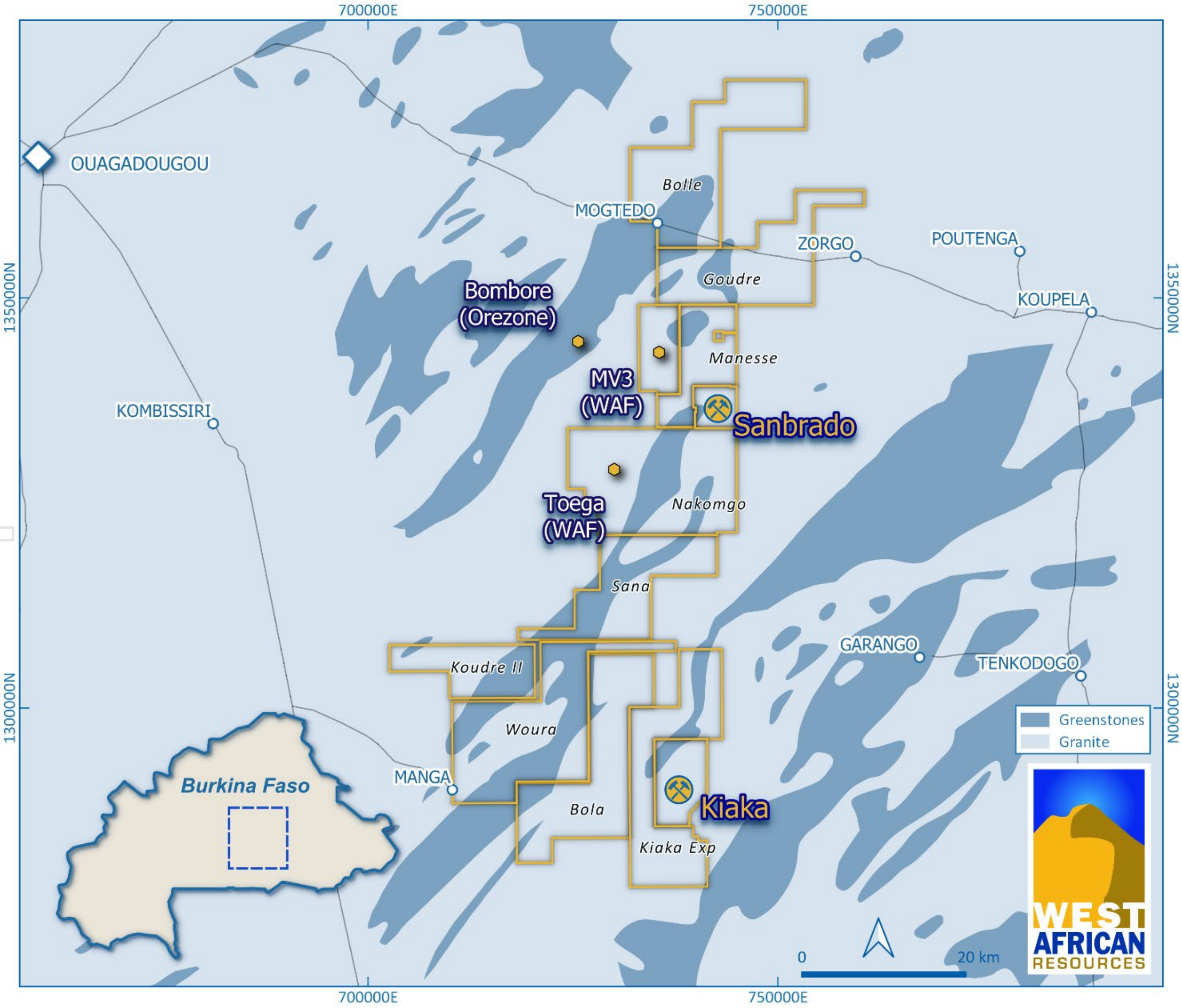
MV3

On 31 May 2022, WAF announced that extensive zones of gold mineralisation had been intercepted in first-pass exploration drilling at the MV3 prospect located 6km northwest of Sanbrado. MV3 represents a potential satellite open pit for the Sanbrado operation and exploration work is continuing.

STRATEGIC EXPLORATION POSITION

With the acquisition of Kiaka and Toega in 2021, WAF has consolidated an exciting +1,700 km^2 exploration land package over the prospective Markoyé fault region in central and southern Burkina Faso.

Map showing WAF's mining projects and exploration tenements in south-central Burkina Faso



DIVIDENDS

No dividends were paid or declared by West African Resources Limited during the half year (30 June 2021: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes to the state of affairs of the Group during or since the six-months ended 30 June 2022, not otherwise disclosed in this report.

Burkina Faso 3-Year Transitionary Government:

On 24 January 2022, a military group called the Patriotic Movement for Safeguard and Restoration, led by Lieutenant-Colonel Paul-Henri Sandaogo Damiba, assumed control of the government, deposed Mr Roch Marc Christian Kaboré from his position as president of Burkina Faso, and subsequently dissolved the parliament, government, and the constitution. On 31 January, the group restored the constitution and appointed Paul-Henri Sandaogo Damiba as interim president. On 1 March 2022, Interim President Damiba signed a charter setting out the structure and objectives of a 36-month transition government which he leads as President of the Transition. The charter stipulates that the President of the Transition and other senior members of the transition government are not eligible for the presidential, legislative, and municipal elections that will be held to end the transition period. On 25 January 2022, WAF released a statement on the ASX that its staff and contractors were safe and the Company's Sanbrado Gold Operations in Burkina Faso were continuing to operate as usual. The Directors are pleased to advise no change from that situation and the Company's observation is that government bureaus continue to operate normally and no controversial legislative changes have been proposed.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There has not arisen in the interval between the end of the reporting period 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 substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191', issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and accompanying financial statements. Amounts in the Directors' Report and accompanying financial statements have been rounded off in accordance with that Rounding Instrument to the nearest thousand dollars, or in certain noted cases, to the nearest dollar. All amounts are in Australian dollars, unless otherwise stated.

AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This written Auditor's Independence Declaration is set out on page 33 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

RICHARD HYDE
Executive Chairman & CEO
Perth, 22 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 June 2022

	Note	Half-year 2022 $'000	Half-year 2021 $'000
Revenue from continuing operations	3	**322,324**	266,770
Cost of sales	4(a)	**(145,501)**	(125,952)
Exploration and evaluation expenses		**(4,174)**	(1,114)
Corporate and technical services		**(3,721)**	(2,480)
Share-based payments		**(1,266)**	(1,248)
Other expenses	4(b)	**(7,534)**	(3,023)
Finance expenses		**(1,056)**	(14,855)
Net foreign exchange losses		**(7,782)**	(5,736)
Profit before tax		**151,290**	112,362
Income tax expense	5	**(44,717)**	(39,105)
Profit after tax		**106,573**	73,257
OTHER COMPREHENSIVE INCOME:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(5,739)**	16
Other comprehensive profit (loss), net of income tax		**(5,739)**	16
Total comprehensive profit for the period		**100,834**	73,273
Profit attributable to:			
Owners of the parent		**94,765**	65,227
Non-controlling interest		**11,808**	8,030
		106,573	73,257
Total comprehensive profit attributable to:			
Owners of the parent		**89,026**	65,243
Non-controlling interest		**11,808**	8,030
		100,834	73,273
Basic profit per share (cents per share)	6	**9.3**	7.3
Diluted profit per share (cents per share)	6	**9.2**	7.2

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 $'000	31 December 2021 $'000
CURRENT ASSETS			
Cash and cash equivalents		**221,747**	183,374
Restricted cash		**8,886**	1,626
Trade and other receivables	7	**32,614**	42,507
Inventories	8	**70,467**	58,977
Financial assets		**39**	39
Total current assets		**333,753**	286,523
NON-CURRENT ASSETS			
Property, plant and equipment	9	**335,050**	329,556
Right-of-use assets	10	**9,778**	12,713
Exploration and evaluation assets	11	**180,778**	175,455
Total non-current assets		**525,606**	517,724
TOTAL ASSETS		**859,359**	804,247
CURRENT LIABILITIES			
Trade and other payables	12	**108,340**	106,072
Loans and borrowings	13	**310**	214
Lease liabilities	14	**5,990**	5,591
Current tax payable		**39,009**	85,418
Total current liabilities		**153,649**	197,295
NON-CURRENT LIABILITIES			
Loans and borrowings	13	**13,738**	12,904
Lease liabilities	14	**3,508**	7,096
Provisions	15	**13,734**	12,579
Deferred tax liabilities	16	**25,681**	19,967
Total non-current liabilities		**56,661**	52,546
TOTAL LIABILITIES		**210,310**	249,841
NET ASSETS		**649,049**	554,406
EQUITY			
Issued capital	17	**335,113**	335,334
Reserves	18	**(244)**	4,173
Retained earnings		**281,315**	185,540
Equity attributable to owners of the parent		**616,184**	525,047
Non-controlling interest	21	**32,865**	29,359
TOTAL EQUITY		**649,049**	554,406

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2022

	Issued capital $'000	Retained earnings $'000	Foreign Currency translation reserve $'000	Share-based payments reserve $'000	Non-controlling interest $'000	Total $'000
Balance at 1 January 2021	165,263	(3,885)	(6,096)	9,947	7,036	172,265
Profit after tax	-	65,227	-	-	8,030	73,257
Other comprehensive profit for the period	-	-	16	-	-	16
Total comprehensive profit for the period	-	65,227	16	-	8,030	73,273
Shares issued net of transaction costs	524	-	-	-	-	524
Transfer to non-controlling interest	-	101	-	-	(101)	-
Share-based payments	-	-	-	1,248	-	1,248
Subsidiary minority interest profit distribution	-	-	-	-	(2,690)	(2,690)
Balance at 30 June 2021	165,787	61,443	(6,080)	11,195	12,275	244,620
Balance at 1 January 2022	**335,334**	**185,540**	**(8,361)**	**12,534**	**29,359**	**554,406**
Profit after tax	-	94,765	-	-	11,808	**106,573**
Other comprehensive profit for the period	-	-	(5,739)	-	-	**(5,739)**
Total comprehensive profit for the period	-	94,765	(5,739)	-	11,808	**100,834**
Shares issued net of transaction costs	(221)	-	-	-	-	**(221)**
Transfer to non-controlling interest	-	1,010	-	-	(1,010)	**-**
Share-based payments	-	-	-	1,322	-	**1,322**
Subsidiary minority interest profit distribution	-	-	-	-	(7,292)	**(7,292)**
Balance at 30 June 2022	**335,113**	**281,315**	**(14,100)**	**13,856**	**32,865**	**649,049**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2022

	30 June 2022 $'000	30 June 2021 $'000
OPERATING ACTIVITIES		
Receipts from customers	**321,175**	267,207
Payments to suppliers and employees	**(137,839)**	(140,445)
Income tax paid	**(84,750)**	(25,403)
Interest received	**1,136**	185
Interest paid	**(402)**	(477)
Net cash inflow from operating activities	**99,320**	101,067
INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(38,885)**	(29,961)
Capitalised exploration and evaluation expenditure	**(7,032)**	(3,728)
Net cash outflow from investing activities	**(45,917)**	(33,689)
FINANCING ACTIVITIES		
Proceeds from issue of shares	**120**	-
Proceeds from exercise of share options	**-**	544
Repayment of borrowings	**-**	(84,173)
Subsidiary minority interest profit distribution	**(7,292)**	(2,690)
Payments for share issue costs	**(341)**	(22)
Payments for lease liabilities	**(4,186)**	(2,680)
Interest paid on borrowings	**(653)**	(8,718)
Financing costs	**-**	(4,477)
Net cash outflow from financing activities	**(12,352)**	(102,216)
Net increase in cash held	**41,051**	(34,838)
Cash at the beginning of the financial period	**183,374**	95,027
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(2,678)**	707
Cash at the end of the financial period	**221,747**	60,896

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2022

1 BASIS OF PREPARATION

A. BASIS OF ACCOUNTING

This general-purpose financial report for the interim half-year reporting period ended 30 June 2022 is presented in Australian dollars and has been prepared in accordance with Accounting Standard 134 Interim Financial Reporting and the Corporation Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by West African Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

B. ROUNDING OF AMOUNTS

The Company is of a kind referred to in Rounding Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Rounding Instrument to the nearest thousand dollars ($000's), unless otherwise stated.

C. PRINCIPLES OF CONSOLIDATION

The consolidated interim financial statements comprise the financial statements of the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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 had control.

D. ADOPTION OF NEW AND REVISED STANDARDS

There have been no new or amended accounting standards or interpretations issued by the Australian Accounting Standard's Board ("**AASB**") that have been applied for the first time in the current reporting period.

There are no forthcoming standards and amendments that are expected to have a material impact on the Group in the current or future reporting periods, or on foreseeable future transactions.

E. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of this interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the following key judgements, estimates and assumptions were made by management in applying the Group's accounting policies:

Accounting for leases

- Assessing contracts to determine whether they contain a lease and if so, whether they also contain non-lease components.
- Estimating the useful lives and depreciation rates of right-of-use assets.
- Setting the discount rate of the lease contracts, which is used in the calculation of lease liabilities.

Exploration and evaluation costs

On a case-by-case basis, assessing whether the acquisition costs and exploration and evaluation ("**E&E**") expenses of particular mineral properties will be expensed or whether it is appropriate to capitalised them as E&E assets.

1 BASIS OF PREPARATION (CONTINUED)

E. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Valuation of rehabilitation provision

- Estimating the future cash flows to settle mine restoration obligations.
- Setting the discount rate and inflation rate used in the calculation of the rehabilitation provision.

Property, plant and equipment

- Setting the useful lives and depreciation rates for plant and equipment.
- Assessing assets for impairment of their carrying value.

Group consolidation

Setting the functional currency used for each entity in the Group.

Income tax

- Interpreting tax legislation in a number of countries.
- Estimating future tax outcomes.

Classification of borrowings

Estimating future cash flows which impact on the classification of borrowings as current versus non-current.

Share-based payments

- Estimating the fair value of the share-based payments at the date at which they are granted.
- Estimating number of share-based payment awards to employees that will ultimately vest at each reporting date.

Value added tax receivable

Estimating the amount recoverable and timing of recovery of value added tax ("**VAT**") receivable from the Burkina Faso government.

F. REVENUE

The Group primarily generates revenue from the sale of gold bullion. This sales revenue is recognised when ownership of the metal is transferred to the buyer. This typically occurs when physical bullion, from a contracted sale, is transferred from the Group's metal account to the metal account of the buyer.

Where the Group receives provisional payments from buyers, in advance of transfer of ownership, the Group classifies the provisional payment as a deferred revenue liability until ownership is transferred and the associated revenue is recognised.

1 BASIS OF PREPARATION (CONTINUED)

G. INCOME TAXES

The income tax expense or benefit for the period is based on the profit or loss for the period 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.

H. OTHER TAXES

Revenues, expenses and assets are recognised net of the amount of value added taxes ("**VAT**") except:

- when the VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the VAT 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 VAT included.

Australian goods and services tax ("**GST**") is a type of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

I. 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.

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

J. INVENTORIES

Ore stockpiles, gold in circuit and finished goods (being gold doré and gold bullion) inventories are valued at the lower of weighted average cost and net realisable value. Costs include direct production costs and an appropriate allocation of attributable overheads. Depreciation and amortisation attributable to production of the inventory are also included in the cost of inventory.

Inventories of consumable supplies and spare parts are valued at the lower of weighted average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion, and the estimated costs necessary to make the sale.

1 BASIS OF PREPARATION (CONTINUED)

K. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment (“**PP&E**”) is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The cost of an item of PP&E consists of the purchase price, applicable borrowing costs, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The carrying amount of the PP&E is reviewed at each balance sheet date to assess whether there is any indication that the assets may be impaired. If any such indication exists, then the recoverable amount of the assets is estimated. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than the estimated recoverable amount.

Gains and losses on disposal of PP&E are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Mines under construction

Expenditure on the construction, installation, and completion of infrastructure facilities for mining properties is capitalised to mines under construction. The expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads. The capitalised amount is net of proceeds from the sale of ore extracted during the construction phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income.

After reaching pre-determined levels of operating capacity intended by management, known as ‘commencement of commercial production’, the assets included in mines under construction are transferred out of mines under construction to their appropriate PP&E category and depreciation and amortisation commence.

Mine development assets

Mine development represents expenditure incurred in relation to overburden removal based on underlying mining activities and related mining data and construction costs and underground development incurred by, or on behalf of, the Group previously accumulated and carried forward in relation to mineral properties in which mining has now commenced. Such expenditure comprises direct costs and an allocation of directly related overhead expenditure.

All expenditure incurred prior to the commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after the commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of the mine development being amortised.

Mine development costs (as transferred from exploration and evaluation and/or mines under construction) are amortised on a units-of-production basis over the life of mine to which they relate. In applying the units of production method, amortisation is calculated using the expected total contained ounces as determined by the life of mine plan specific to that mine property. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total contained ounces as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per ounce. The rate per ounce is typically updated annually as the life of mine plans are revised.

1 BASIS OF PREPARATION (CONTINUED)

K. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation

Depreciation of non-mine specific PP&E is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives determined as follows:

Land and buildings	3 to 10 years
Office equipment	3 to 10 years
Plant and equipment	3 to 10 years
Light vehicles	3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

L. EXPLORATION AND EVALUATION

Exploration and evaluation ("**E&E**") costs are captured separately for each area of interest. Such costs comprise direct costs and an appropriate portion of related overhead expenditure. E&E costs, including acquisition costs, are capitalised when incurred in areas limited to a size related to a known mineral resource capable of supporting a mining operation for which the Group has rights of (or is acquiring rights of) tenure and where activities have reached a stage which permits a reasonable assessment of the existence of economically recoverable ore reserves, and active and significant operations in relation to the area are continuing. Each capitalised area of interest is regularly reviewed. If the project is abandoned or if it is considered unlikely that capitalised costs will be recouped through development or sale of the project then accumulated costs to that point are written off immediately.

Where a decision has been made to proceed with development in respect of a particular area of interest, the associated E&E assets are transferred to PP&E and all future E&E costs for the area of interest are classified as PP&E within either mines under construction or mine development assets, as appropriate.

M. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2 SEGMENT REPORTING

A. DESCRIPTION OF SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board and the executive management team in assessing performance and in determining the allocation of resources. The operating segments of the Group are:

Mining Operations: in the current period comprise the Sanbrado Gold Project operations located in Burkina Faso.

Exploration & Evaluation: in the current period comprises exploration and evaluation activities in locations other than the Sanbrado.

B. SEGMENT INFORMATION

	Mining operations $'000	Exploration & Evaluation $'000	Other $'000	Total $'000
Half-year 2021				
Total segment revenue	266,660	(17)	127	266,770
Total segment expenses	125,952	1,114	2,480	129,546
Total segment results	140,708	(1,130)	(2,354)	137,224
Segment assets at 30 June 2021	481,764	20,609	29,840	532,213
Segment liabilities at 30 June 2021	156,495	587	130,511	287,593
Half-year 2022				
Total segment revenue	**322,286**	**17**	**21**	**322,324**
Total segment expenses	**145,179**	**4,496**	**3,721**	**153,396**
Total segment results	**177,107**	**(4,479)**	**(3,700)**	**168,928**
Segment assets at 30 June 2022	**584,017**	**136,409**	**138,933**	**859,359**
Segment liabilities at 30 June 2022	**177,755**	**2,448**	**30,107**	**210,310**

Segment result is reconciled to the profit before income tax as follows:

	Half-year 2022 $'000	Half-year 2021 $'000
Total segment results	**168,928**	137,224
Share-based payments	**(1,266)**	(1,248)
Finance expenses	**(1,056)**	(14,855)
Other expenses	**(7,534)**	(3,023)
Net foreign exchange losses	**(7,782)**	(5,736)
Profit before income tax	**151,290**	112,362

All metal sales during the period were made to MKS PAMP SA.

3 REVENUE

	Half-year 2022 $'000	Half-year 2021 $'000
Metal sales	**321,187**	266,488
Interest received	**1,136**	185
Other income	**1**	97
	322,324	266,770

4 EXPENSES

	Half-year 2022 $'000	Half-year 2021 $'000
(a) Cost of sales		
Production expenses	**104,722**	95,932
Royalties and other selling costs	**20,583**	16,611
Depreciation and amortisation	**30,363**	25,140
Changes in inventory (cash)	**(6,166)**	(8,605)
Changes in inventory (non-cash)	**(4,001)**	(3,126)
	145,501	125,952
(b) Other expenses		
Accretion of rehabilitation provision	**167**	127
Depreciation and amortisation	**322**	15
Withholding tax expense	**7,045**	2,881
	7,534	3,023

5 INCOME TAX

A. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	Half-year 2022 $'000	Half-year 2021 $'000
Current tax	**41,677**	33,730
Deferred tax	**5,708**	1,440
(Over) Under provided in prior years	**(2,668)**	3,935
	44,717	39,105

5 INCOME TAX (CONTINUED)

B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	Half-year 2022 $'000	Half-year 2021 $'000
Accounting profit before tax	**151,290**	112,362
Income tax expense at 30%	**45,387**	33,709
Add (Deduct):		
Non-deductible expenses	**1,643**	5,709
Effect of differences in foreign tax rates	**(3,335)**	(3,274)
Effect of differences in foreign exchange	**(665)**	-
Other permanent adjustment	**6,230**	2,938
Movement in unrecognised deferred tax assets	**(3,587)**	23
Foreign income tax offset	**(956)**	-
Income tax expense	**44,717**	39,105

C. UNRECOGNISED DEFERRED TAX BALANCES

	Half-year 2022 $'000	Half-year 2021 $'000
(a) Unrecognised deferred tax assets		
Annual leave provision	**113**	64
Long service leave provision	**28**	16
Borrowings	**14,098**	17,601
Leases	**55**	81
Tax losses	**20,447**	13,717
Section 40-880 undeducted losses	**555**	21
(b) Unrecognised deferred tax liabilities		
Prepayments	**(1)**	-
Right-of-use assets	**(49)**	(76)
Borrowing costs	**-**	(700)
Net unrecognised deferred tax asset	**35,246**	30,724

6 EARNINGS PER SHARE

	Half-year 2022 $	Half-year 2021 $
Basic profit per share (cents per share)	**9.3**	7.3
Diluted profit per share (cents per share)	**9.2**	7.2

The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Attributable profit for the period	**94,765,123**	65,227,000
Weighted average number of shares outstanding during the period used in calculations of basic profit per share	**1,020,965,934**	881,934,119
Weighted average number of diluted shares outstanding during the period used in calculations of diluted profit per share	**1,032,087,079**	892,258,581

7 TRADE AND OTHER RECEIVABLES

	30 June 2022 $'000	30 December 2021 $'000
Current		
Prepayments	**690**	6,294
Other receivables	**31,924**	36,213
	32,614	42,507

Other receivables include value added tax receivable from the Burkina Faso government of $31,738,000 (31 December 2021: $35,668,000).

8 INVENTORIES

	30 June 2022 $'000	30 December 2021 $'000
Ore stockpiles – cost	**32,144**	34,646
Finished goods – cost	**13,780**	6,086
Gold in circuit – cost	**6,614**	2,913
Consumable supplies and spares – cost	**17,929**	15,332
	70,467	58,977

9 PROPERTY, PLANT AND EQUIPMENT

Cost and accumulated depreciation	Mine development assets $'000	Mines under construction $'000	Capital in progress $'000	Land and buildings $'000	Office equipment $'000	Plant and equipment $'000	Light vehicles $'000	Total $'000
31 December 2021								
Gross carrying amount at cost	136,719	28	1,238	33,393	659	232,817	5,606	410,460
Accumulated depreciation	(35,333)	-	-	(6,894)	(609)	(34,524)	(3,544)	(80,904)
Net carrying amount	101,386	28	1,238	26,499	50	198,293	2,062	329,556
30 June 2022								
Gross carrying amount at cost	**161,154**	**28**	**15,573**	**32,416**	**638**	**226,067**	**5,876**	**441,752**
Accumulated depreciation	**(50,189)**	**-**	**-**	**(8,139)**	**(606)**	**(43,560)**	**(4,208)**	**(106,702)**
Net carrying amount	**110,965**	**28**	**15,573**	**24,277**	**32**	**182,507**	**1,668**	**335,050**
Carrying value								
31 December 2021								
At the beginning of the period	93,826	-	11,527	29,063	25	192,645	2,501	329,587
Assets acquired under acquisition	-	-	90	516	56	149	83	894
Transfers to property, plant and equipment	-	-	(26,560)	-	-	26,560	-	-
Additions	34,523	28	16,325	185	-	787	633	52,481
Depreciation expensed for the period	(28,951)	-	-	(2,920)	(30)	(19,558)	(1,130)	(52,589)
Change in rehabilitation provision	3,011	-	-	-	-	-	-	3,011
Effects of movement in foreign exchange	(1,023)	-	(144)	(345)	(1)	(2,290)	(25)	(3,828)
Net of accumulated depreciation	101,386	28	1,238	26,499	50	198,293	2,062	329,556
30 June 2022								
At the beginning of the period	**101,386**	**28**	**1,238**	**26,499**	**50**	**198,293**	**2,062**	**329,556**
Additions	**27,105**	**-**	**14,861**	**-**	**-**	**55**	**435**	**42,456**
Depreciation expensed for the period	**(15,886)**	**-**	**-**	**(1,448)**	**(17)**	**(10,043)**	**(768)**	**(28,162)**
Change in rehabilitation provision	**1,327**	**-**	**-**	**-**	**-**	**-**	**-**	**1,327**
Effects of movement in foreign exchange	**(2,967)**	**-**	**(526)**	**(774)**	**(1)**	**(5,798)**	**(61)**	**(10,127)**
Net of accumulated depreciation	**110,965**	**28**	**15,573**	**24,277**	**32**	**182,507**	**1,668**	**335,050**

10 RIGHT-OF-USE ASSETS

	Property	Equipment	Total
	$'000	$'000	$'000
Balance at 1 January 2021	299	15,921	16,220
Additions	-	1,462	1,462
Depreciation charge for the year	(90)	(4,705)	(4,795)
Effects of movement in foreign exchange	-	(174)	(174)
Balance at 31 December 2021	209	12,504	12,713
Balance at 1 January 2022	**209**	**12,504**	**12,713**
Depreciation charge for the period	**(45)**	**(2,524)**	**(2,569)**
Effects of movement in foreign exchange	**-**	**(366)**	**(366)**
Balance at 30 June 2022	**164**	**9,614**	**9,778**

11 EXPLORATION AND EVALUATION ASSETS

	Half-year ended 30 June 2022 $'000	Year ended 31 December 2021 $'000
Balance at the start of the period	**175,455**	15,255
Additions	**7,470**	163,101
Effects of movement in foreign exchange	**(2,147)**	(2,901)
Balance at the end of the period	**180,778**	175,455

Exploration and evaluation additions in 2021 include $155,161,000 of purchase consideration paid for the Kiaka Gold Project ("**Kiaka**") and the Toega gold deposit ("**Toega**"). The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

12 TRADE AND OTHER PAYABLES

	30 June 2022 $'000	30 December 2021 $'000
Current		
Trade payables	**26,128**	21,570
Accruals	**16,092**	21,580
Other payables	**882**	1,007
Convertible note	**65,238**	61,915
	108,340	106,072

The Company issued a US$45 million convertible note to B2Gold Corp as part consideration for the purchase of Kiaka that is payable in cash unless B2Gold elects to be paid in shares. The note is secured against WAF's ownership interest in Kiaka and is due for payment in 2022.

13 LOANS AND BORROWINGS

	30 June 2022 $'000	30 December 2021 $'000
Current	**310**	214
Non-current	**13,738**	12,904
	14,048	13,118

In 2019 a loan facility was entered into with Byrnecut Burkina Faso SARL as a component of the Sanbrado underground mining services contract. The facility has a limit of US$10 million and interest is charged at a rate of 9.75% per annum. Interest is payable half-yearly and the principal is due 6 months before termination of the 5-year services contract. The balance outstanding under the facility at 30 June 2022 was US$9.6 million inclusive of accrued interest (31 December 2021: US$9.6 million).

14 LEASES

	30 June 2022 $'000	30 December 2021 $'000
Current	**5,990**	5,591
Non-current	**3,508**	7,096
	9,498	12,687
Amounts recognised in profit or loss		
Interest on lease liabilities	**402**	850
Expenses relating to short-term leases	**35**	22
	437	872
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	**4,186**	5,331

15 PROVISIONS

	30 June 2022 $'000	30 December 2021 $'000
Non-current		
Long service leave provision	**95**	67
Rehabilitation provision	**13,639**	12,512
	13,734	12,579
Reconciliation of movements in rehabilitation provision:		
Balance at the start of the period	**12,512**	9,362
Increase in rehabilitation provision during the period	**1,494**	3,266
Effects of movement in foreign exchange	**(367)**	(116)
Balance at the end of the period	**13,639**	12,512

The Group's rehabilitation provision is the best estimate of the present value of the future cash flows required to settle the Sanbrado mine site restoration obligations at the reporting date, based on current legal requirements and technology. It has been calculated with an inflation rate of 2.5% (31 December 2021: 2.5%) and by discounting the cash flows at a rate of 2.75% (31 December 2021: 2.75%). The amount provided each period is also capitalised as an asset under mine development assets in property, plant and equipment.

16 DEFERRED TAX LIABILITIES

	30 June 2022 $'000	30 December 2021 $'000
Deferred tax liabilities		
Trade and other receivables	**2,474**	507
Property, plant and equipment	**16,109**	10,311
Trade and other payables	**(612)**	-
Borrowings	**2,693**	3,695
Borrowing costs	**5,017**	5,454
Net deferred tax liabilities	**25,681**	19,967
Movements:		
Opening balance	**19,967**	21,648
Charged (Credited) to profit and loss	**2,965**	(692)
Under (Over) provision in prior years	**2,749**	(989)
Closing balance	**25,681**	19,967

17 ISSUED CAPITAL

	30 June 2022 $'000	30 December 2021 $'000
Fully paid ordinary shares	**335,113**	335,334

(a) Number of shares	**No.**	**No.**
At start of period	**1,020,773,845**	878,682,646
Issue of shares on exercise of options and performance rights	**159,898**	5,969,467
Issue of shares from capital raising	**96,000**	109,000,000
Issue of shares as consideration for acquisition	-	27,121,732
Balance at end of period	**1,021,029,743**	1,020,773,845

(b) Value of shares	**$'000**	**$'000**
At start of period	**335,334**	165,263
Issue of shares on exercise of options and performance rights	-	1,042
Issue of shares from capital raising	**120**	136,250
Issue of shares as consideration for acquisition	-	36,819
Share issue costs	**(341)**	(4,040)
Balance at end of period	**335,113**	335,334

18 RESERVES

	30 June 2022 $'000	30 December 2021 $'000
Reserves	**(244)**	4,173

Reserves comprise the following:	**Half-year ended 30 June 2022 $'000**	Year ended 31 December 2021 $'000
(a) Foreign currency translation reserve		
At start of period	**(8,361)**	(6,096)
Currency translation differences	**(5,739)**	(2,265)
Balance at end of period	**(14,100)**	(8,361)
(b) Share-based payments reserve		
At start of period	**12,534**	9,947
Performance rights issued – share-based payment expense	**1,322**	2,587
Balance at end of period	**13,856**	12,534

18 RESERVES (CONTINUED)

Nature and purpose of reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record the Group's exchange differences arising from the translation of loans to foreign subsidiaries that are expected to be repaid in the long term and the translation of the financial statements of foreign subsidiaries.

(b) Shared-based payments reserve

The shared-based payments reserve is used to recognise the fair value of options and rights issued by the Company to Directors, employees and other suppliers or consultants that are not exercised or expired.

19 DIVIDENDS

No dividends were paid or declared by West African Resources Limited during the half year (30 June 2021: nil).

20 CONTINGENT LIABILITIES

(i) Burkina Faso Income Tax

Société des Mines de Sanbrado SA ('SOMISA') is in discussions with the Burkina Faso tax authority in relation to a reassessment resulting from an audit of its 2020 corporate income taxes. No amount in relation to this has been provided in the Group's financial statements as the parties have not yet come to a common understanding of the underlying transactions being reassessed and the correct tax treatment under the tax code.

(ii) Royalty agreements

During 2021, the Group entered into royalty agreements with third parties in respect of the acquisition of Kiaka and the Toega. Royalties will become payable under the agreements when refined gold is produced from ore extracted from the physical areas covered by the agreements.

- Royalties in respect of Kiaka comprise:
  - a 3% net smelter return ('NSR') royalty on first 2.5 million ounces of gold produced from Kiaka;
  - a 0.5% NSR royalty on next 1.5 million ounces of gold produced from Kiaka.

- Royalties in respect of Toega comprise:
  - firstly, a 3% NSR royalty to a value of US$25 million; and
  - thereafter a 0.5% NSR royalty, capped at 1.5 million ounces of gold produced from Toega.

21 INTEREST IN SUBSIDIARIES

A. SUMMARISED FINANCIAL INFORMATION FOR SOCIETE DES MINES DE SANBRADO BEFORE INTRAGROUP ELIMINATIONS

	Half-year 2022 $'000	Half-year 2021 $'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	**322,286**	265,999
Profit for the period:		
Attributable to owners of the parent	**106,281**	72,269
Attributable to non-controlling interest	**11,809**	8,030
	118,090	80,299
STATEMENT OF CASH FLOWS		
Net cash from operating activities	**111,422**	129,602
Net cash used in investing activities	**(41,125)**	(28,306)
Net cash used in financing activities	**(72,517)**	(81,969)
	(2,220)	19,327

STATEMENT OF FINANCIAL POSITION	Half-year ended 30 June 2022 $'000	Year ended 31 December 2021 $'000
Assets		
Current assets	**219,426**	230,868
Non-current assets	**352,520**	342,293
	571,946	573,161
Liabilities		
Current liabilities	**171,578**	213,091
Non-current liabilities	**70,713**	65,461
	242,291	278,552
Equity		
Attributable to owners of the parent	**296,690**	265,148
Attributable to non-controlling interest	**32,965**	29,461
	329,655	294,609

21 INTEREST IN SUBSIDIARIES (CONTINUED)

B. SUMMARISED FINANCIAL INFORMATION FOR KIAKA SA BEFORE INTRAGROUP ELIMINATIONS

	Half-year 2022 $'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Revenue	-
Loss for the period:	
Attributable to owners of the parent	**(8)**
Attributable to non-controlling interest	**(1)**
	(9)
STATEMENT OF CASH FLOWS	
Net cash from operating activities	-
Net cash used in investing activities	**(2,827)**
Net cash from financing activities	**3,691**
	864

STATEMENT OF FINANCIAL POSITION	**Half-year ended 30 June 2022 $'000**	Year ended 31 December 2021 $'000
Assets		
Current assets	**981**	5
Non-current assets	**85,946**	84,191
	86,927	84,196
Liabilities		
Current liabilities	**1,540**	4
Non-current liabilities	**86,387**	85,212
	87,927	85,216
Equity		
Attributable to owners of the parent	**(898)**	(918)
Attributable to non-controlling interest	**(100)**	(102)
	(998)	(1,020)

Kiaka SA was acquired after 30 June 2021, and therefore no comparative amounts for the Statement of Profit or Loss and Other Comprehensive Income are provided.

22 SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the reporting period 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 substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors:

a. The interim financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the half-year then ended; and

   (ii) complying with Australian Accounting Standards 134: Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory professional reporting requirements.

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

RICHARD HYDE
Executive Chairman & CEO
22 August 2022

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of West African Resources Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
22 August 2022

B G McVeigh
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of West African Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of West African Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of West African Resources Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards*) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
22 August 2022