



WEST AFRICAN
RESOURCES LIMITED

ANNUAL REPORT 2023

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01

Corporate Information

Company

West African Resources Limited

ABN

70 121 539 375

Board of Directors

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

Company Secretaries

Padraig O'Donoghue
Annie Atkins

Share registry

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges 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 6008 Australia

SOMISA office

Secteur 27, Quartier Ouayalghin,
Parcelle 07, Lot 22, Section SL,
Ouagadougou, Burkina Faso
T: +226 25 39 58 45

Kiaka SA office

Secteur 53, Parcelle 06,
Lot 12, Section 480, Zone A7
Ouagadougou, Burkina Faso
T: +226 25 37 49 74/75/76

Auditors

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

ASX

ASX trading code: WAF

02

Chairman's Letter

**RICHARD HYDE**

Executive Chairman & CEO

Dear Fellow Shareholders,

I am proud to present the 2023 Annual Report for West African Resources Limited (ASX: WAF), as we reflect on another year in which WAF has delivered on its stated goals, and moved closer to achieving its target of becoming a mid-tier gold producer. Our strong performance and growth in 2023 builds on the foundations established since our inception, but more particularly our achievements in the past five years. These include:

- Securing US\$200M debt financing for the construction of our Sanbrado Gold Project in Burkina Faso and awarding the EPCM and mill supply packages for the project in 2018;
- Starting major works at Sanbrado with the first drawdown from our debt facility following an optimised Definitive Feasibility Study (DFS) in 2019;
- Completing Sanbrado construction six months ahead of schedule and US\$20M under budget, with first gold poured in March 2020 and delivering A\$99M inaugural profit;
- Acquiring the 1.1 million ounce Toega gold deposit in 2020;
- Achieving annual guidance and delivering A\$214M profit in 2021, allowing us to fully repay our debt financing;
- Acquiring the 6.8Moz Kiaka Gold Project in 2021;
- Achieving annual guidance and delivering A\$184M profit in 2022;
- Completing the Kiaka DFS and awarding EPCM and mill supply packages for the project in 2023, delivering Reserve statements for Kiaka and Toega; with Group Mineral Resources increased to 12.6Moz and Group Mineral Reserves increased to 6.4Moz in 2023.

Our strategic goals for 2023 included:

- Achieve annual guidance of 210,000 to 230,000 oz gold at an AISC of <US\$1,175 per oz;
- Maintain Kiaka construction on schedule and budget;
- Secure debt funding for Kiaka construction;
- Complete M5 South underground scoping study; and
- Advancing the Toega mining licence application.

I am very pleased to report that we successfully achieved all of these goals, and we are well on our way to becoming a +400,000 oz per year gold producer in 2025, when our second gold mine at Kiaka commences production.

WAF continued its solid financial performance in 2023, generating A\$661M revenue from 224,970oz gold sold unhedged at an average realised price of A\$2,923 (US\$1,944) per oz. We achieved A\$165M Group net earnings and operating cash flow of A\$209M. WAF's consistent profit performance over the past four years is reflected in our retained earnings balance of A\$494M at 31 December 2023.

WAF held A\$135M cash at the end of 2023 and US\$265M of undrawn debt from our syndicated facility. Our balance sheet is strong, with net assets of more than A\$905M.

Our Sanbrado operation maintained consistent high-margin gold production in 2023, delivering 226,823oz at a US\$1,136/oz all-in sustaining cost (AISC). This met our annual guidance targets and was in line with the 10-year production plan released in early 2023.

WAF's profitability and Sanbrado's strong performance are expected to continue in 2024, with unhedged production guidance of 190,000 to 210,000oz gold at an AISC less than US\$1,300/oz.

Looking further ahead, our Resource, Reserve and 10-year production update released on 28 February 2024 shows we expect Sanbrado gold production to average more than 210,000oz pa over the next decade increasing to more than 230,000oz pa as the Toega open pit and M5 South underground come online from 2026. Under the updated 10-year plan, when compared to the 2023 plan, Sanbrado yields an additional 440,000oz driven by the inclusion of the M5 South underground and increased mined tonnage and grade at M1 South.

Our 10-year outlook also highlighted our target of 338,000oz gold production in 2025 and more than 450,000oz pa from 2026 to 2031 once Kiaka is operational. The current mine plans for Sanbrado and Kiaka continue until 2034 and 2042, respectively, based on a US\$1,400/oz gold price and current drilling.

In 2024, WAF expects to spend US\$230M to US\$270M at Kiaka, with the focus shifting to major concrete pours at crusher and mill locations and process plant construction. WAF is funding the construction of Kiaka from existing cash, internal cash flow, and a US\$265M syndicated debt facility finalised in December 2023. We had our first drawdown of US\$100M on 2 January 2024, drawing a further US\$50M on 3 March 2024. We aim to accelerate construction at Kiaka, which will help reduce our fixed costs. Kiaka construction remains on schedule and on budget with first gold expected in Q3 2025.

There were no significant health or safety incidents in 2023, with WAF's annual total recordable injury frequency rate (TRIFR) standing at 1.21 versus the Western Australian average reportable injuries frequency rate of 7.1. Tragically, post year-end on 28 January 2024, the Group reported the fatality of a contractor working at Kiaka. No other persons were injured in the accident. WAF and the Kiaka safety team have worked with the relevant authorities and the contracting companies involved to investigate the accident and address the causal factors. We express our deepest sympathies to the family and those close to our colleague.

Sustainability is fundamental to how WAF operates within Burkina Faso. I encourage interested parties to obtain a copy of our 2023 Sustainability Report, which is due for release in the coming weeks and will be available electronically from our website. As well as the numerous agricultural, educational and health improvement programs delivered to our regional communities, the Sustainability Report outlines our significant economic contributions to the Burkina Faso economy in 2023.

Our Board is comprised of four independent non-executive directors, three executive directors, and committees chaired by independent non-executive directors. We have well-qualified, engaged and high-performing directors and we are not planning any changes to our Board composition in 2024.

I also thank my fellow shareholders for your continued support, and my fellow directors for their guidance and contributions in assisting me and the management team navigate our Company's growth to becoming a +400,000 ounce per annum gold producer by 2025.



RICHARD HYDE

Executive Chairman & CEO

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2023 in Brief

Q1

- Annual guidance set at 210,000 - 230,000 oz at AISC of <US\$1,175/oz
- Kiaka construction underway with EPCM appointed and long-lead SAG and Ball mills ordered
- M5 South underground scoping study starts

Q2

- Toega deposit receives environmental permit following approval of the ESIA and RAP
- Preferred lenders provide credit approval for US\$265 million loan facility

Q3

- Diamond drilling confirms potential of M5 South underground with 20.5 metres at 4.1g/t gold

Q4

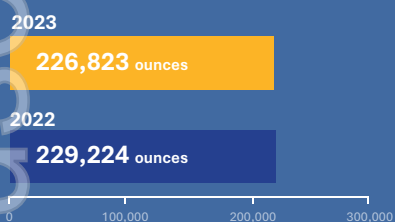
- Maiden M5 South underground resource of 2.4 Mt at 3.8 g/t Au for 289koz gold
- US\$265 million loan facility finalised
- Annual guidance achieved with 226,823oz gold produced at AISC of US\$1,136/oz
- Kiaka construction on budget and schedule with 55% of project costs committed
- Gold Mineral Resources increased to 12.8Moz
- Gold Ore Reserves updated to 6.1Moz



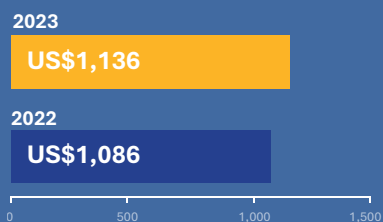
04

2023 Results

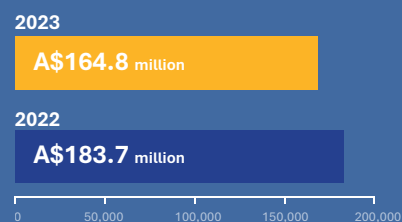
Gold production



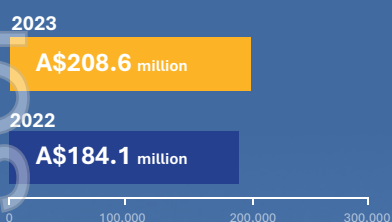
AISC per ounce



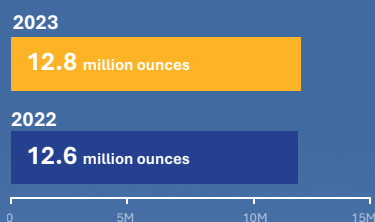
Net profit



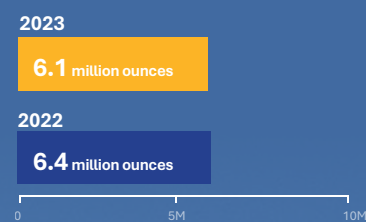
Cash flow from operations



Year-end gold Resources



Year-end gold Reserves



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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 year ended 31 December 2023.

About West African Resources Limited

West African Resources Limited is headquartered in Perth, Western Australia and listed on the Australian Securities Exchange (ASX:WAF). The Company and its controlled subsidiaries undertake gold mining, mineral processing, exploration, project development, community & social sustainability, and rehabilitation within the West African country of Burkina Faso.

| BURKINA FASO | | | WESTERN AUSTRALIA |
|--------------------------------|---|---|-------------------------|
| SANBRADO GOLD PROJECT | KIAKA GOLD PROJECT | EXPLORATION | PERTH OFFICE |
| Mineral Resources: 4.9Moz gold | Mineral Resources: 7.9Moz gold | Tenement portfolio comprising 1,385km ² over the prospective Markoyé fault region in central and southern Burkina Faso | WAF Group headquarters |
| Mineral Reserves: 1.6Moz gold | Mineral Reserves: 4.5Moz gold | | Business support centre |
| Open pit mining | Long life, low strip ratio, conventional open pit | | |
| Underground mining | Fully permitted | Gold exploration | |
| Ore processing | Fully funded | | |
| Gold smelting | Construction commenced and targeting first gold in 2025 | | |
| Exploration | | | |
| Resource to reserve conversion | | | |
| Community & social programs | | | |
| Environmental programs | | | |
| Progressive rehabilitation | | | |

The Sanbrado Gold Project ('Sanbrado') is in central Burkina Faso, 90km east-southeast of the capital city of Ouagadougou. The Kiaka Gold Project ('Kiaka') is 45km south of Sanbrado. WAF has 1,385km² exploration land package over the prospective Markoyé fault region where Sanbrado, Toega, and Kiaka are situated. Sanbrado and Kiaka are held under mining licences and are 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.

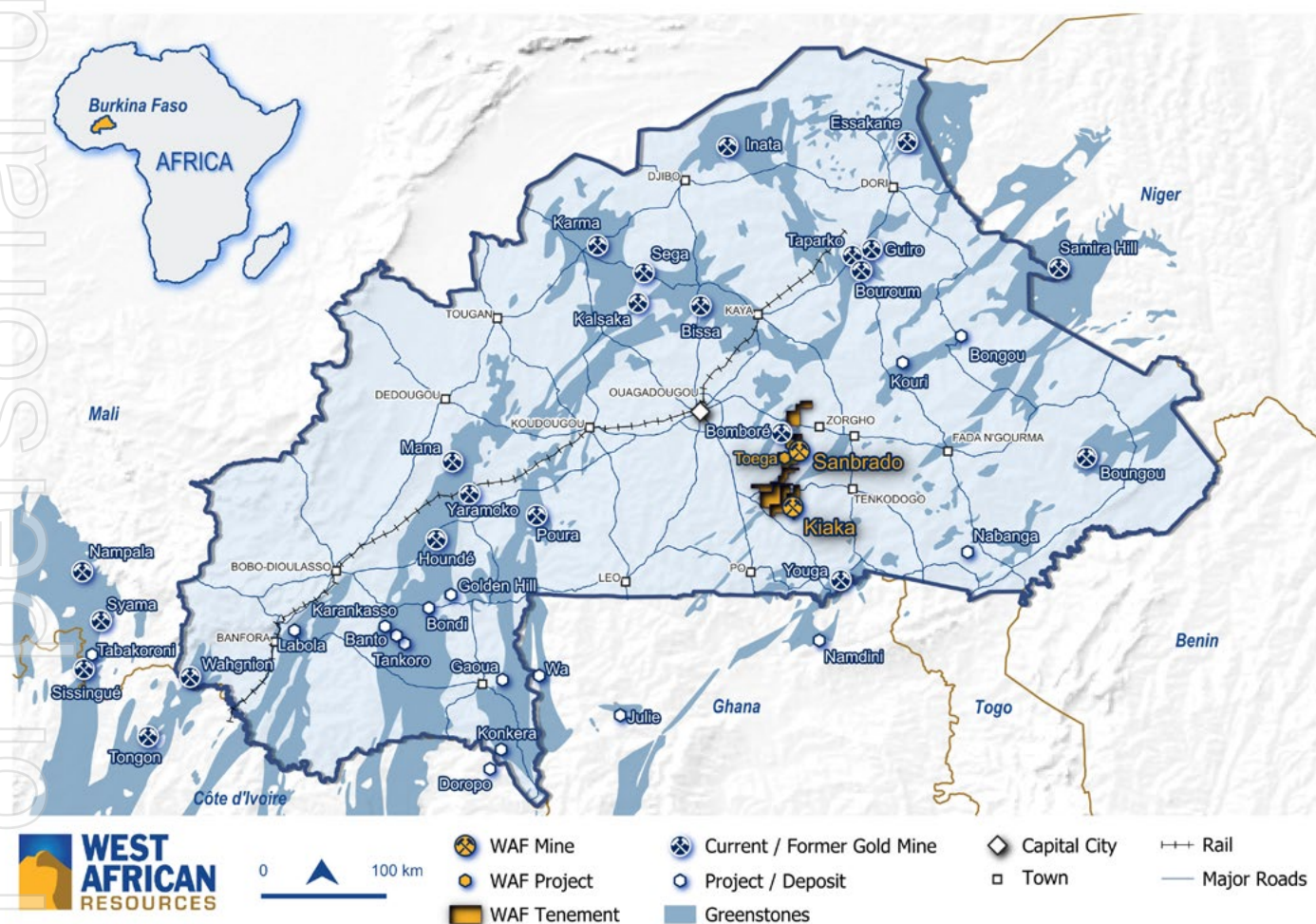


Figure 1 – WAF project location map

Operating Review

SAFETY

There were no significant health or safety incidents during the year, and WAF's 2023 annual TRIFR (Total Recordable Injury Frequency Rate) was 1.21 (2022: 1.73) versus Western Australian average reportable injuries frequency rate of 7.1¹. However, post year end on 28 January 2024, the Group reported the fatality of a contractor working at the Kiaka Gold Project in Burkina Faso. No other persons were injured in the accident. WAF and the Kiaka safety team worked with the relevant authorities and the contracting companies involved to investigate the accident.

REGIONAL GEOPOLITICAL ENVIRONMENT

There have been no changes to the leadership of the government of Burkina Faso since Captain Ibrahim Traore became the head of the military and was appointed Interim President in October 2022. Regionally, in July 2023, there was a military coup in the neighbouring country of Niger that had no impact on WAF's operations.

SANBRADO PRODUCTION STATISTICS

A year-on-year comparison of the key production statistics for Sanbrado is shown in the following table.

| | UNIT | 2023 | 2022 |
|-------------------|----------|---------|---------|
| OP mining | | | |
| Total movement | BCM '000 | 7,504 | 8,620 |
| Total movement | kt | 19,413 | 21,706 |
| Strip ratio | w:o | 3.4 | 7.1 |
| Ore mined | kt | 4,394 | 2,685 |
| Mined grade | g/t | 1.2 | 1.4 |
| Contained gold | oz | 172,177 | 118,514 |
| UG mining | | | |
| Ore mined | kt | 470 | 424 |
| Mined grade | g/t | 6.9 | 8.1 |
| Contained gold | oz | 104,519 | 110,183 |
| Processing | | | |
| Ore milled | kt | 3,321 | 3,251 |
| Head grade | g/t | 2.3 | 2.4 |
| Recovery | % | 93.7 | 93.1 |
| Gold produced | oz | 226,823 | 229,224 |
| Gold poured | oz | 222,778 | 230,424 |
| Gold sold | oz | 224,970 | 233,930 |

¹ Department of Mines, Industry Regulation and Safety, 2021, Safety performance in the Western Australian mineral industry — accident and injury statistics 2020-21: Department of Mines, Industry Regulation and Safety, Western Australia.

<https://www.dmp.wa.gov.au/Documents/Safety%20performance%20in%20the%20Western%20Australian%20mineral%20industry%202020-21%20-%20report.pdf>.

A site layout of the Sanbrado project is shown below in figure 2.

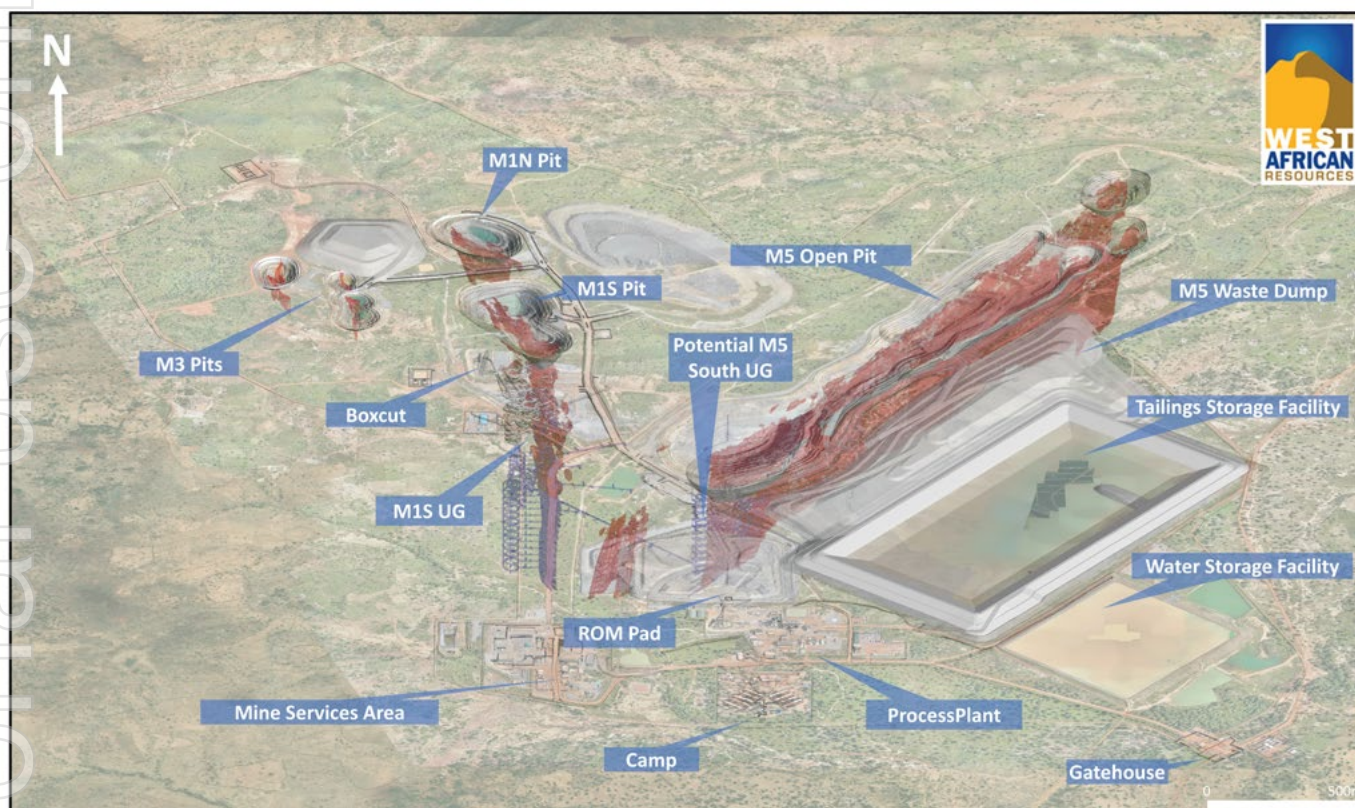


Figure 2 – Sanbrado gold operation layout

OPEN-PIT MINING

Contained gold mined from open pit mining in 2023 of 172,177 ounces was 45% higher than the prior year due to a 64% increase in ore tonnes mined partially offset by 11% lower grade. The higher ore tonnes reflect the completion of the M5 South cut back in Q4 2022, which provided improved access to the M5 South pit and significantly reduced the strip ratio in 2023.

A long section of the M5 pit is shown in figure 3.

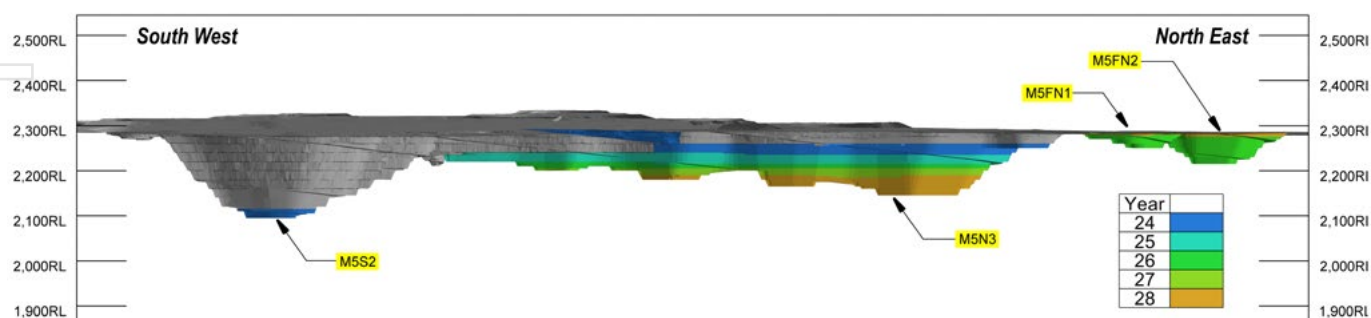


Figure 3 – Long section of the M5 pit

UNDERGROUND MINING

Contained gold mined from the M1 South underground of 104,519 ounces was slightly below the prior year with 11% higher ore tonnes and 15% lower grade. Operational productivity improvements increased the ore tonnes mined and the grade of the mined stopes reconciled well with the reserve model. Lateral development of 3.1km was completed in 2023 (2022: 3.0km). At the end of 2023 the M1 South decline was 555 metres vertically below surface (2022: 461 metres).

A long section of the M1 South underground is shown in figure 4 showing planned future stoping panels and an underground post-blast inspection is shown in figure 5 (refer to ASX announcement “WAF Resource, Reserve and 10 year production update 2024” dated 28 February 2024 for further details on figure 4).

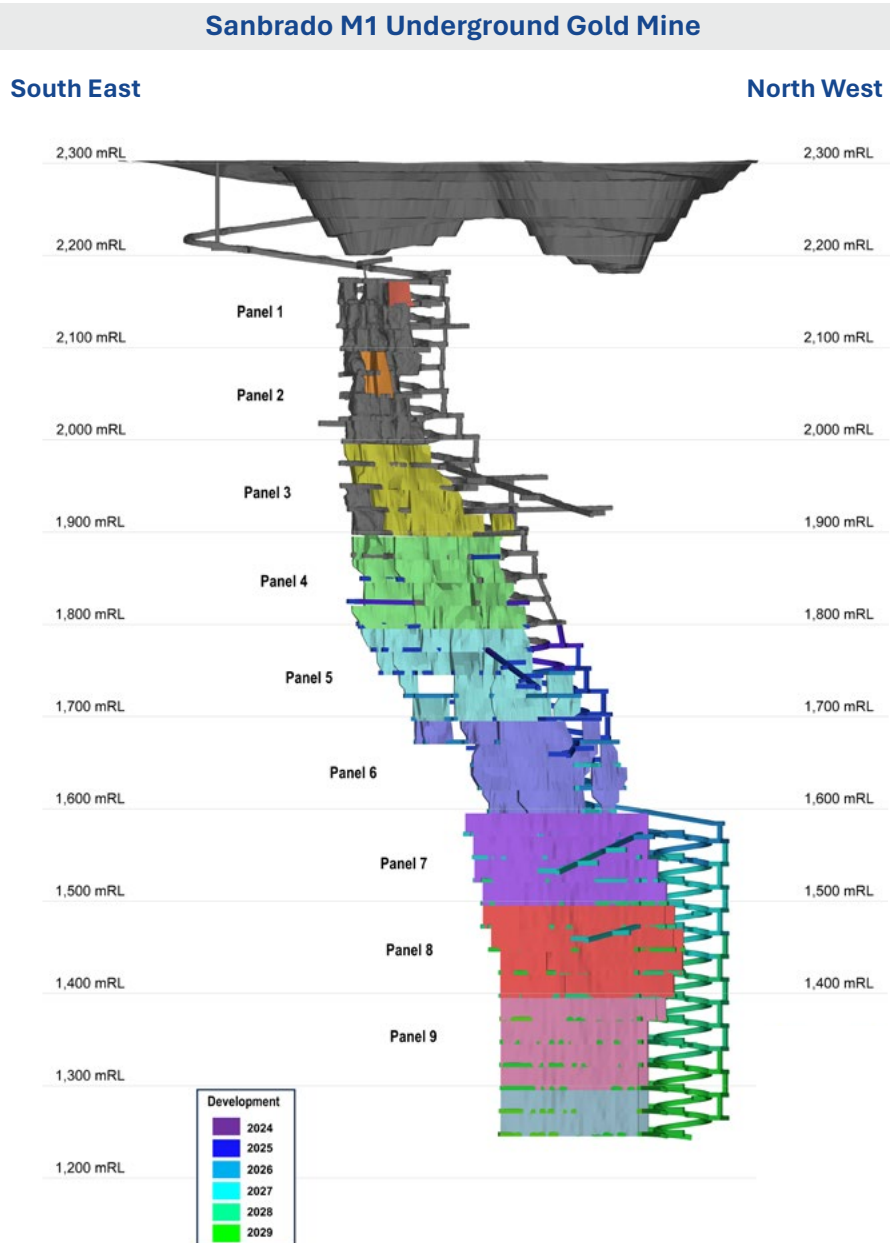


Figure 4 – M1 South underground long section



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PROCESSING

The Sanbrado process plant continued its strong reliable performance in 2023. Gold production of 226,823 ounces was consistent with the prior year, with 3.3 million tonnes milled at a head grade of 2.3 grams/tonne and gold recovery of 93.7%.

Figure 6 provides a location map of Sanbrado, figure 7 shows the process plant and figure 8 shows the accommodation camp.

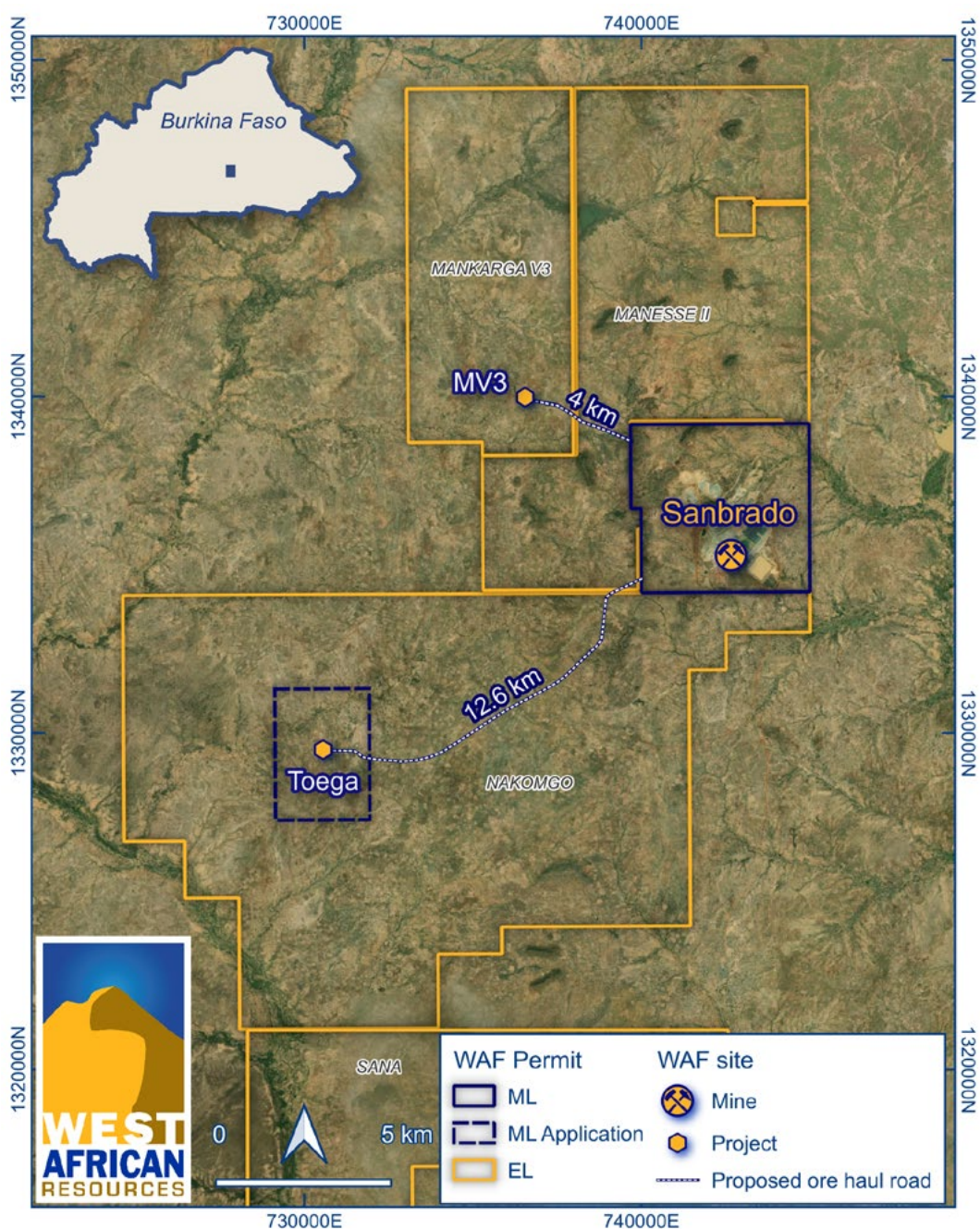


Figure 6 – Sanbrado project location map



Figure 8 – Sanbrado accommodation camp

Growth Review

OVERVIEW

Mineral Resources and Ore Reserves Growth

WAF's Mineral Resources and Ore Reserves growth history is shown below in figures 9 and 10 (for further details on these figures please refer to ASX announcement "WAF Resource, Reserve and 10 year production update 2024" dated 28 February 2024).

Mineral Resource Gold Ounces

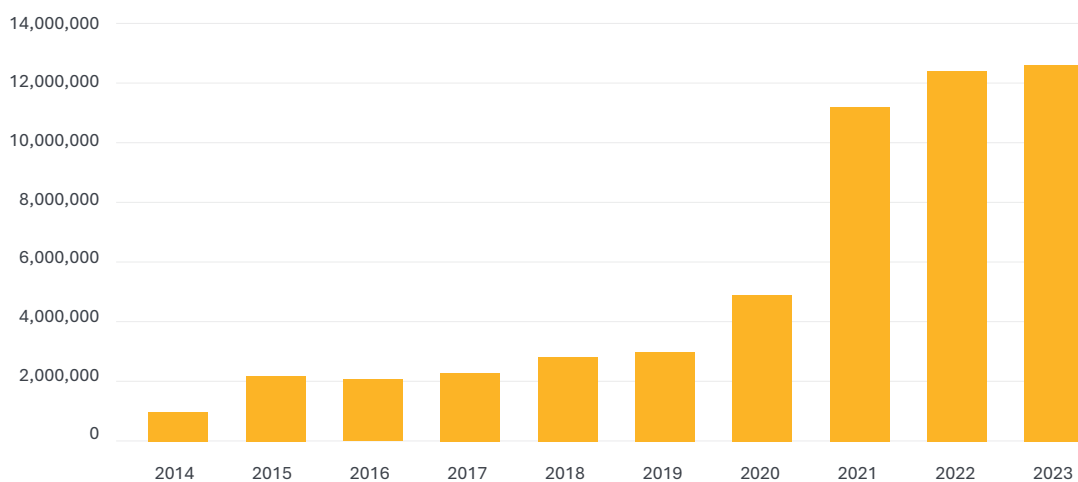


Figure 9 – WAF Mineral Resources growth since 2014

Ore Reserves Gold Ounces

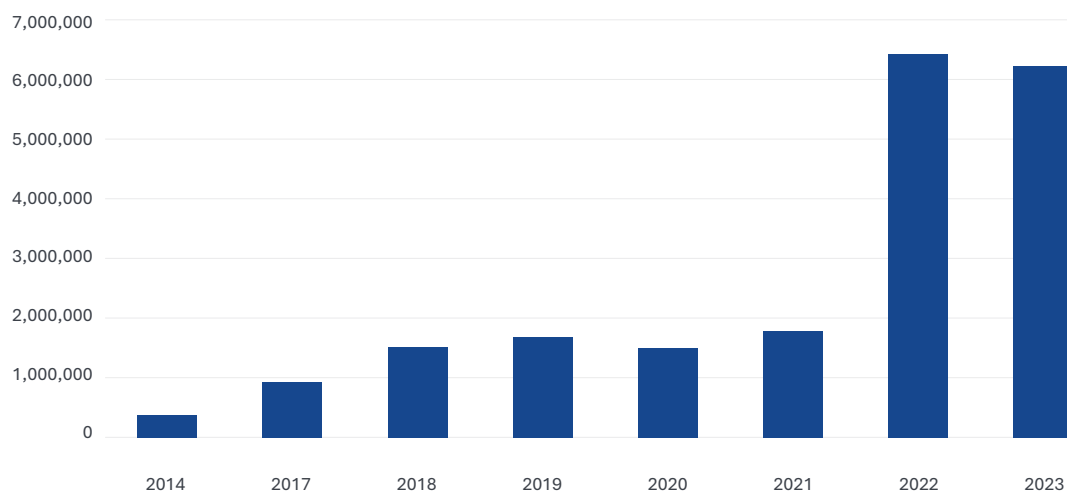


Figure 10 – WAF Ore Reserve growth since 2014

Production Growth Target

West African's updated 10-year production target is shown below in figure 11 (for further details on this figure and the 10-year production target, please refer to ASX announcement "WAF Resource, Reserve and 10 year production update 2024" dated 28 February 2024). Under the target, WAF's gold production is estimated to increase to approximately 330,000 oz in 2025 with part-year production from Kiaka, and then average more than 450,000 oz per annum for the next 6 years with full year contributions from Kiaka.

Recovered Gold Ounces

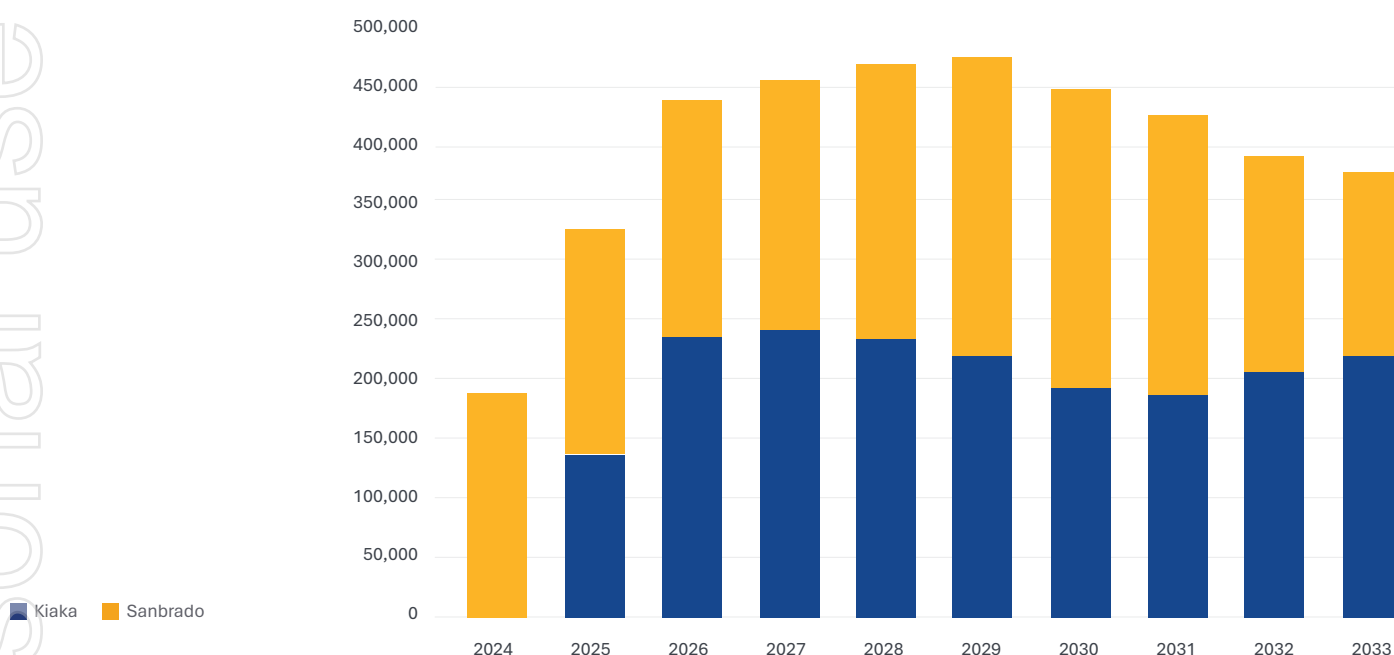


Figure 11 – WAF 10-year production target

KIAKA GOLD PROJECT

Background and feasibility study

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

WAF undertook a Definitive Feasibility Study ("DFS") of Kiaka and released the DFS results on ASX on 3 August 2022. The DFS delivered an Ore Reserve of 4.5 million ounces gold and demonstrated Kiaka would be a long-life low-cost conventional open-pit mining operation with conventional semi-autogenous ball mill crushing ("SABC") and carbon-in-leach ("CIL") processing. The DFS highlighted Kiaka would produce an average of 219,000 ounces of gold per year over an 18.5 year mine life.

Kiaka Feasibility Study announcement 3 August 2022² – 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 0.9 g/t for 7.7Moz gold (5.8Moz Indicated, 1.7Moz Inferred, open pit constrained at US\$1,800/oz) ³ |
| Probable Mineral Reserves | 155Mt at 0.9 g/t for 4.5Moz gold (at US\$1,400/oz) |
| Life of mine gold recovery | 90% average, recovering 4.1Moz gold |
| Mine Life | 18.5 years |

Kiaka development

In mid-2022 WAF commenced early works at Kiaka with road upgrades and expansion of the exploration camp to house the initial construction team. In Q4 2022 WAF awarded the EPCM (engineering, procurement, and construction-management) contract to Lycopodium and the supply of the 18MW semi-autogenous grinding ('SAG') mill and 9MW ball mill to Metso Outotec. Lycopodium is a leading international engineering and project management consultancy for West African mineral gold processing plants, having completed the construction of more than a dozen gold projects in West Africa since 2009, including West African's Sanbrado gold mine. Metso Outotec were selected due to their overall experience and reliability with supplying grinding mills of this size, and the positive outcome at Sanbrado where WAF's Metso Outotec SAG and ball mills have been performing very reliably above nameplate capacity.

During 2023, construction of the main camp was completed, the security buildings and main entrance gates were erected, earthworks for key areas of the primary crusher, reclaim, mills,

and CIL were handed over to the EPCM (Lycopodium), and the first concrete pour was completed. Fabrication of process plant components by suppliers was ongoing and proceeding to schedule, with mill component items commencing to arrive on site. By the end of 2023 approximately 55% of the project costs were committed and fixed, with no material cost inflation observed since the capex estimate reported in the DFS.

In respect of sustainability, the Resettlement Action Plan ('RAP') and Environmental and Social Impact Assessment ('ESIA') for Kiaka were updated in 2023 and the resettlement program for the project affected people ('PAPs') was well-progressed. By year end more than 97% of compensation agreements were signed and a visioning study was initiated, which entails a series of consultations with the PAPs by experienced local firms to develop the livelihood restoration program.

Figure 12 presents the layout of the Kiaka project, showing the relative positions of the mining areas and the principal infrastructure.

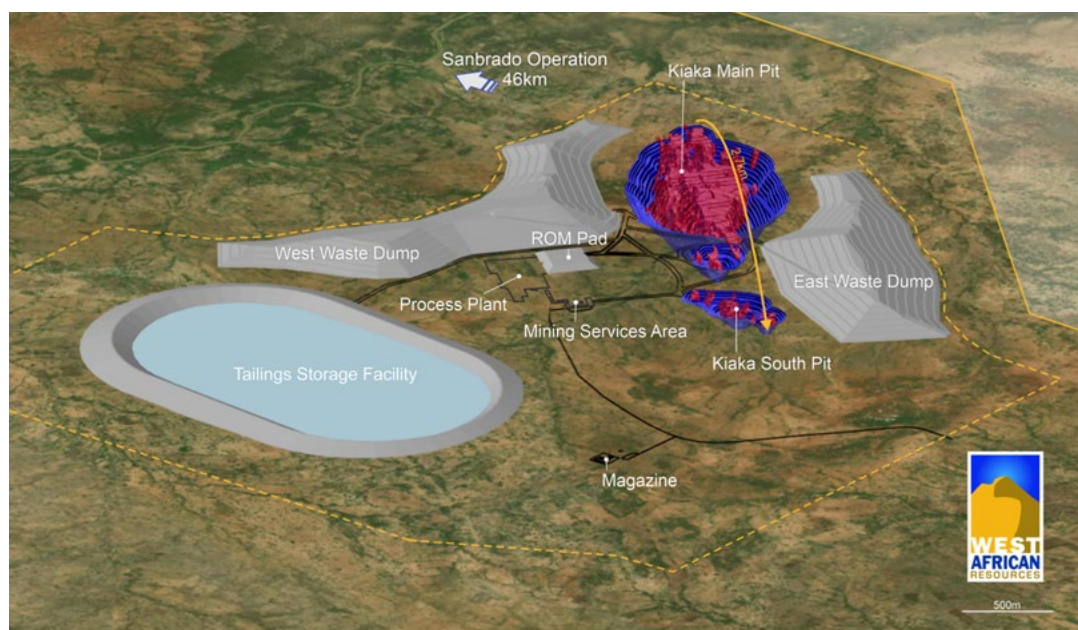


Figure 12 – Planned layout of Kiaka project

² Refer to ASX announcement released 3 August 2022 titled "Kiaka Feasibility Study Delivers 4.5Moz Gold Ore Reserve".

³ There is a low level of geological confidence associated with inferred mineral resources, and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.



Figure 13 – Aerial view of Kiaka camp



Figure 14 – Concrete batch plant at Kiaka



SANBRADO GROWTH

WAF's primary growth projects for Sanbrado include:

- M1 South underground extension;
- Toega gold deposit; and
- M5 underground.

M1 South Underground

Growth potential at the M1 South ('M1S') is shown below in figure 16 (refer to ASX announcement "WAF Resource, Reserve and 10 year production update 2024" dated 28 February 2024 for further details of figure 16 and the M1 South underground drilling programs). At M1S Main a total of 18,000m of resource definition drilling is planned for 2024 targeting the Inferred Mineral Resource between the 1600mRL to the 1350mRL. This drill program is aiming to convert up to 400kozs Au from an Inferred Mineral Resource classification to Indicated Mineral Resource. At the M1 Northern Shoot, geological modelling and drilling results from the final benches of the M1 open pit confirm the potential for the northern shoot at depth.

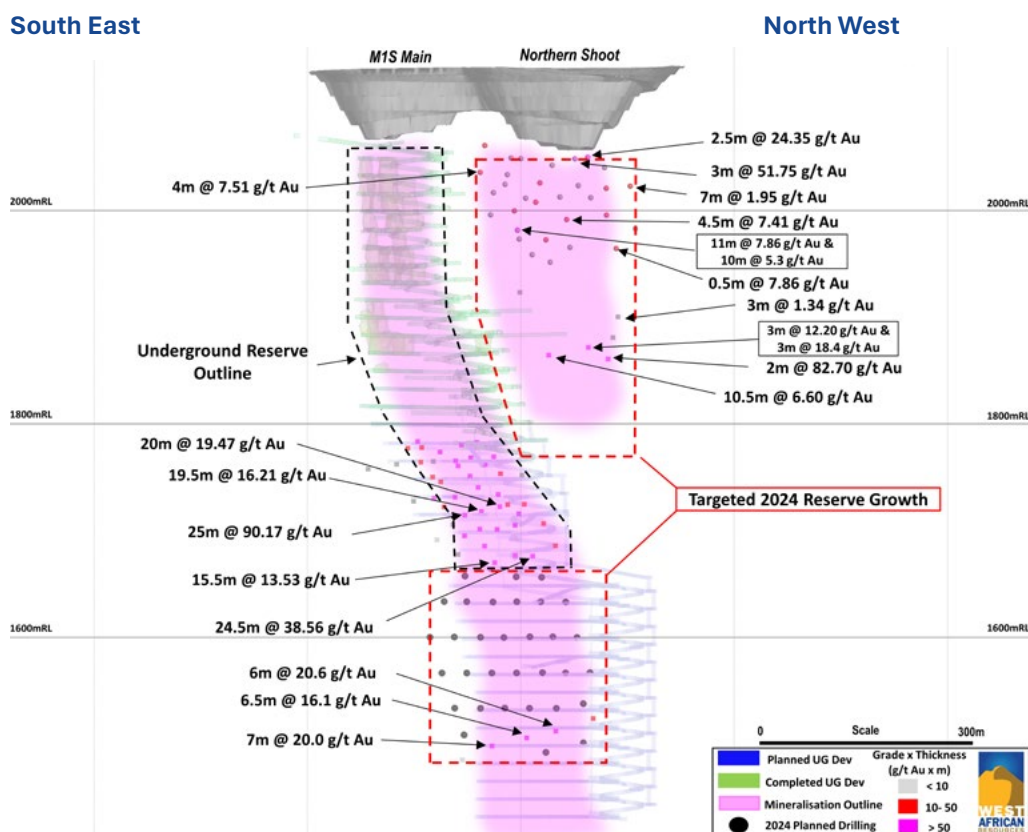


Figure 16 – M1 South underground long section

Toega Gold Deposit

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

Toega received its environmental permit following the approval of the ESIA and RAP and the mining licence is in the final stage of the approval process. Delivery of ore from the Toega open pit to the Sanbrado process plant is planned to commence in the second half of 2025.

Figure 17 shows a long section of the Toega deposit.

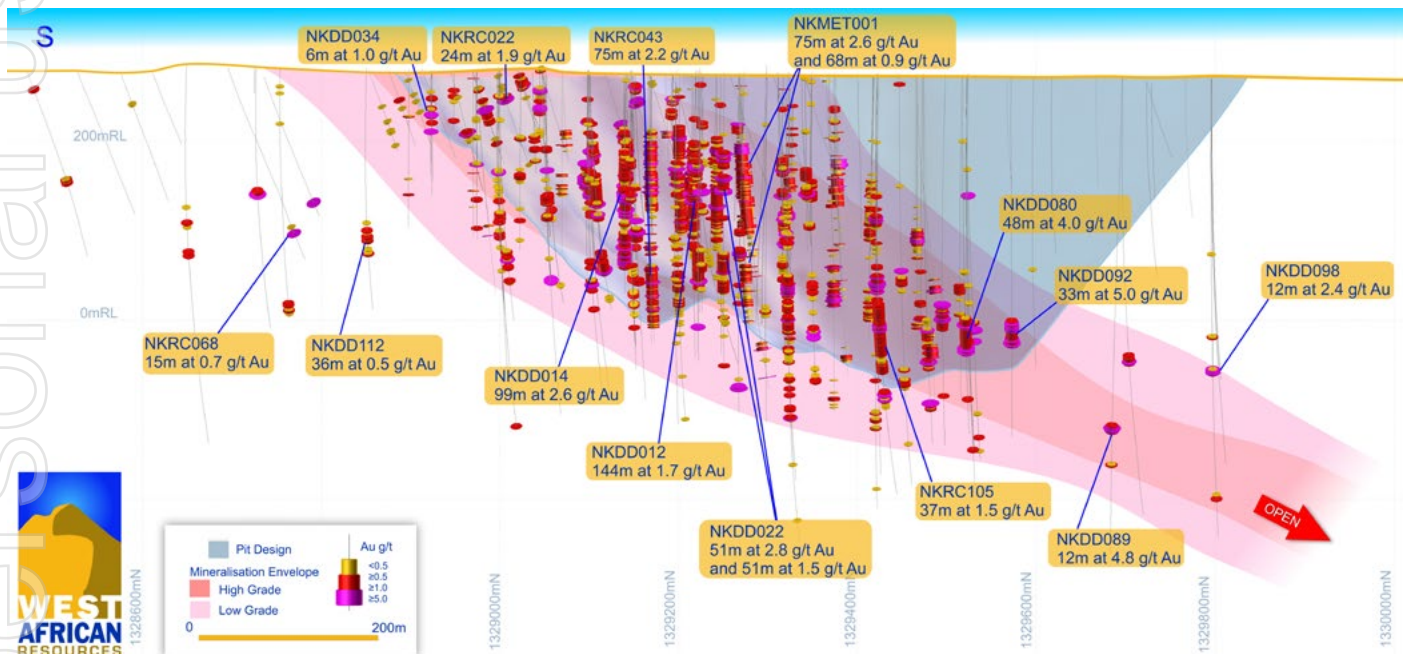


Figure 17 – Toega long section

M5 Underground Potential

On 13 December 2023 WAF released the results of the maiden mineral resource and scoping study for M5 South underground (refer to ASX announcement titled “WAF delivers M5 South UG Mineral Resource and Scoping Study”). A pre-feasibility study is in progress aiming to confirm the economic viability of the M5 South underground project and to allow for the Indicated Mineral Resources to be converted to Ore Reserves. Ventilation and paste fill studies in progress for M1 South have the potential to positively complement the underground development at M5 South.

Further work planned for 2024 includes:

- Completion of a geotechnical study to confirm ground conditions.
- Finalise portal location, mine design and pre-production capital expenditure requirements.
- Assessment of an exploration drive from M1 South to enable infill drilling of the M5 South underground resource and exploration target area at depth.
- Incorporation of the M5 South Underground into future M1 South infrastructure requirements.

An exploration drive between M1 South and M5 South is planned for H2 2024, provided the above work demonstrates an economically viable underground operation. The exploration drive will provide a drill position for a 15,000m resource extension program below the current M5 South resource aimed at conversion of the existing Inferred Mineral Resources to Indicated Mineral Resources and testing the Exploration Target beneath the resources (refer to figure 18).

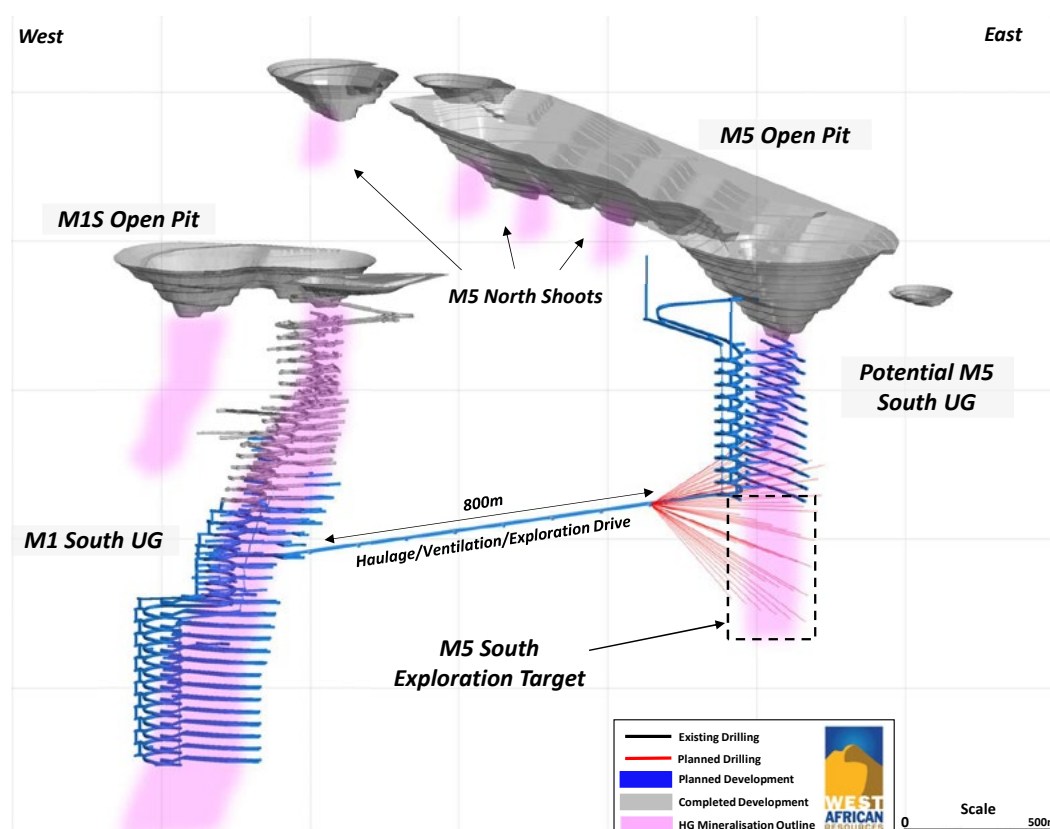


Figure 18 – Oblique view of M1 South/M5 underground mines showing the proposed exploration drive

Strategic exploration position

With the acquisition of Kiaka and Toega in 2021, WAF consolidated a strategic 1,385km² exploration land package over the prospective Markoyé fault region in central and southern Burkina Faso, however for 2024 the exploration and resource definition drilling budget will be largely focused on extending existing underground resources and reserves at Sanbrado.

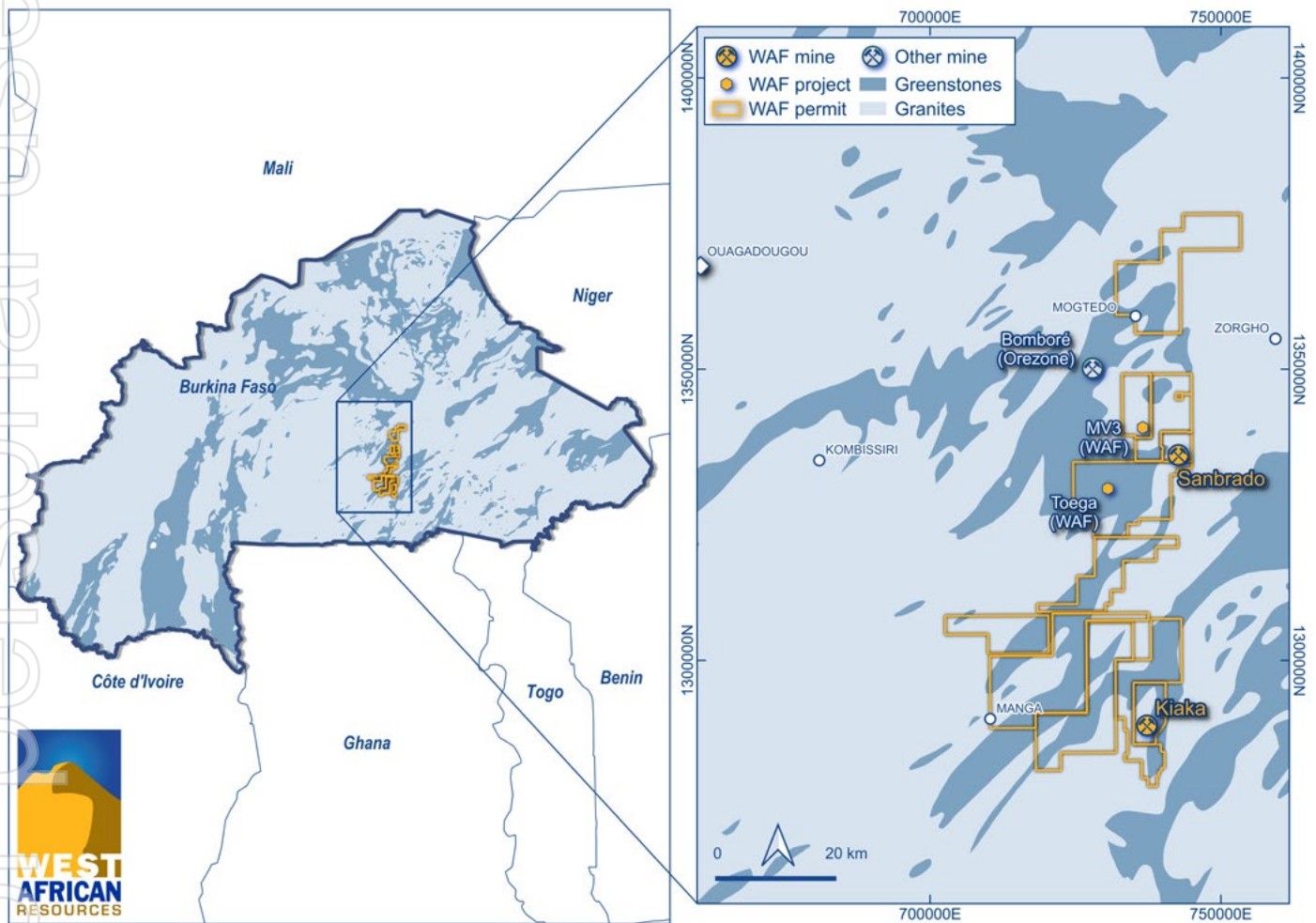


Figure 19 – Location of WAF's mineral interests in Burkina Faso

Sustainability Review

WAF will publish its 2023 Sustainability Report and 2023 Sustainability Databook in the coming weeks as separate documents to this Annual Report. The 2023 Sustainability Report will be prepared following the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and interested parties are encouraged to obtain a copy of our full 2023 Annual Sustainability Report from the Company's website. Sustainability is fundamental to how West African operates and we take our commitments and responsibilities to the environment, the communities where we operate, and our workforce very seriously. Provided below are some of the key quotes from WAF's policies that deal with sustainability matters.

"The Company is committed to environmental stewardship through implementation of our Environmental Management System and impact assessment mitigation hierarchy. We strive to preserve the natural values of the areas we work in and acknowledge past and future land uses. We believe that prudent environmental management requires science-based identification, assessment and management of risks across the mining life cycle, from exploration through operations and closure."

"We hold ourselves to an ethical standard and are committed to conserving and enhancing biodiversity and ecosystem services, in line with global expectations of a leading corporate citizen working towards meeting the goals of the Kunming-Montreal Global Biodiversity Framework (GBF 2030). We recognise that a strong biodiversity strategy underpins this and is at the core of a successful business."

"The Company has made a commitment to establishing and making a lasting, positive contribution to the countries and communities in which we operate. We at all times engage respectfully with our stakeholders and participate in open, honest and transparent dialogue with our host communities. We will work with government, community organisations and non-governmental organisations to develop and support community

development projects and we work to enhance social values in the regions where we operate by providing education, training and community development opportunities."

"We aim to avoid resettlement of people surrounding our mining projects to the extent practicable while maintaining the health and safety of our personnel and host communities. In instances where physical resettlement or economic displacement is unavoidable as a direct result of our activities, we aim to restore livelihoods and standards of living to a level equal to or better than they enjoyed prior displacement."

"West African Resources Limited is committed to being an equal opportunity employer that embraces diversity. We are also committed to providing an inclusive workplace for all staff and contractors. We believe diversity promotes and values individual and cultural differences and is a core aspect for building and maintaining a positive workplace culture and environment, which will enhance the performance of Our People. In particular, the Company values the relationships which are being established with communities which are in the Sanbrado Gold Project and Kiaka Gold Project localities. The Company anticipates that the development of these relationships will provide benefits for all parties, including an understanding and insight into local customs and culture, and sharing of knowledge and expertise to facilitate employment and business opportunities."

"At West African Resources, we respect human dignity in all we do, and we value diversity in our workplaces. We do not discriminate against people based on their ethnicity, nationality, religion, gender, age, disability or any other bias. We do not and will not use child, forced or compulsory labour in our operations and will not tolerate it in our business relationships."

"The Company is committed to the health and safety of Our People. The Company will work to eliminate hazardous, practices and behaviour, which could cause accidents, injuries or illness to Our People, visitors to Company operations and the general public. The Company strives to have injury free workplaces."



Financial Review

SUMMARY

| | UNIT | 2023 | 2022 |
|--|---------|----------|----------|
| | | \$'000 | \$'000 |
| Revenue | | 661,225 | 608,228 |
| Profit after tax | | 164,797 | 183,706 |
| Operating cash inflow | | 208,612 | 184,098 |
| Free cash outflow | | (38,540) | (10,281) |
| Net cash at end of year | | 130,312 | 159,287 |
| Gold ounces sold | oz | 224,970 | 233,930 |
| Average sales price per ounce | US\$/oz | 1,944 | 1,798 |
| All in sustaining cost ('AISC') per ounce sold | US\$/oz | 1,136 | 1,086 |

REVENUE, EARNINGS, AND UNIT COST PERFORMANCE

Group revenue in 2023 was 9% higher than the prior year due to a 13% increase in realised average sales price per ounce, partially offset by a 4% decrease in gold ounces sold.

| | UNIT | 2023 | 2022 |
|---|---------|---------|---------|
| | | \$'000 | \$'000 |
| Gold sales revenue | A\$'000 | 657,605 | 605,030 |
| Gold ounces sold | oz | 224,970 | 233,930 |
| Average sales price per ounce AUD | A\$/oz | 2,923 | 2,586 |
| Average sales price per ounce USD | US\$/oz | 1,944 | 1,798 |
| Average FX rate used for USD conversion | AUD/USD | 0.6650 | 0.6953 |

Group profit after tax in 2023 decreased 10% from the prior year primarily due to a decrease in the operating margin reflected by the 20% increase in cost of sales, partially offset by a 9% increase in revenue versus the prior year. The increase in cost of sales over the prior year was driven by higher prices of significant operating inputs including fuel, reagents, royalties and personnel costs and a lower open pit strip ratio in 2023 resulting in a lower proportion of open pit mining costs capitalised to mine development.

Exploration and evaluation ('E&E') expenses of \$4,070,000 in 2023 relate to regional exploration activities. Corporate and technical services were \$2,003,000 higher than the prior year due to higher salaries, consultants, listed entity and international travel costs. Other expenses increased by \$7,784,000 over the prior year mainly reflecting withholding taxes on larger amount of dividends repatriated to Australia.

Income tax expense of \$76,296,000 in 2023 mainly reflects Burkina Faso corporate income taxes on SOMISA's taxable profit at a rate of 27.5% (SOMISA being WAF's Burkina Faso subsidiary that owns 100% of Sanbrado).

COST PER OUNCE PERFORMANCE

The 'Adjusted operating cost', 'all in sustaining cost' ('AISC'), and 'all in cost' are per-ounce 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 below table presents a year-on-year comparison of these non-AASB per ounce performance metrics for the Group including the underlying absolute costs from which they are calculated.

| UNDERLYING MEASURE | UNIT | 2023 | 2022 |
|--|----------|----------------|----------------|
| Gold sold | oz | 224,970 | 233,930 |
| Gold revenue | A\$ '000 | 657,605 | 605,030 |
| OP mining cost | A\$ '000 | 103,528 | 74,443 |
| UG mining cost | A\$ '000 | 49,238 | 39,766 |
| Processing cost | A\$ '000 | 103,996 | 83,437 |
| Site administration cost | A\$ '000 | 37,053 | 30,731 |
| Change in inventory | A\$ '000 | (20,178) | 2,318 |
| Royalties & production taxes | A\$ '000 | 42,547 | 35,938 |
| Refining and by product | A\$ '000 | (111) | (111) |
| Adjusted operating cost | A\$ '000 | 316,073 | 266,523 |
| Rehabilitation | A\$ '000 | 1,882 | 1,413 |
| Capital development | A\$ '000 | 37,215 | 64,002 |
| Sustaining capital | A\$ '000 | 11,272 | 15,501 |
| Sustaining leases | A\$ '000 | 5,328 | 7,544 |
| Corporate & share-based payments | A\$ '000 | 12,386 | 10,241 |
| All-in sustaining cost | A\$ '000 | 384,156 | 365,224 |
| Growth and development | A\$ '000 | - | - |
| Exploration non-sustaining | A\$ '000 | 6,798 | 17,269 |
| Capex non-sustaining | A\$ '000 | 182,389 | 26,715 |
| All-in cost | A\$ '000 | 573,343 | 409,208 |
| PERFORMANCE METRICS PER GOLD OUNCE SOLD | | | |
| Adjusted operating cost | A\$/oz | 1,405 | 1,139 |
| All in sustaining cost | A\$/oz | 1,708 | 1,561 |
| All in cost | A\$/oz | 2,549 | 1,749 |
| Average sales price | A\$/oz | 2,923 | 2,586 |
| Average FX rate used for USD unit costs | AUD/USD | 0.6650 | 0.6953 |
| Adjusted operating cost | US\$/oz | 934 | 792 |
| All in sustaining cost (AISC) | US\$/oz | 1,136 | 1,086 |
| All in cost | US\$/oz | 1,695 | 1,216 |
| Average sales price | US\$/oz | 1,944 | 1,798 |

The AISC per ounce in AUD increased 9% from A\$1,561 in 2022 to A\$1,708 in 2023 (and 5% in USD from US\$1,086 in 2022 to US\$1,136 in 2023). This year-on-year increase in the AUD AISC per ounce was mainly driven by a 4% lower grade of ore processed at Sanbrado in 2023 compared to the prior year, which resulted in a 4% decrease in the quantity of gold ounces sold, combined with a 5% increase in the AISC in absolute terms from A\$365 million in 2022 to A\$384 million in 2023. The higher AUD absolute AISC in 2023 mainly reflects increased prices of significant operating costs including fuel, reagents, royalties and personnel costs.

RECONCILIATION OF NON-AASB MEASURES TO CONSOLIDATED FINANCIAL STATEMENTS

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

| DESCRIPTION | FINANCIAL STATEMENT REFERENCE* | 2023 | 2022 |
|--|-----------------------------------|--------------|--------------|
| | | \$'000 | \$'000 |
| Cost of sales | P/L | 390,874 | 324,677 |
| (Less)/plus items: | | | |
| Depreciation | Note 4 | (86,790) | (58,997) |
| Non-cash inventory movements | Note 4 | 13,199 | 1,947 |
| By-product credits | N/A | (1,210) | (1,104) |
| Adjusted operating cost | | 316,073 | 266,523 |
| (Less)/plus items: | | | |
| Reclamation & remediation (accretion & amortisation) | N/A | 1,882 | 1,413 |
| Corporate and technical services | P/L | 9,789 | 7,785 |
| Share-based payments | P/L | 2,597 | 2,456 |
| Capital development | Note 10 | 37,215 | 64,002 |
| Sustaining capital | N/A | 11,272 | 15,501 |
| Sustaining leases | CF | 5,328 | 7,544 |
| Total All in sustaining cost (AISC) | | 384,156 | 365,224 |
| Gold sold (ounces) | | 224,970 | 233,930 |
| Adjusted operating cost per ounce (\$A/oz) | | 1,405 | 1,139 |
| AISC per ounce (A\$/oz) | | 1,708 | 1,561 |

* The Financial Statement references in the 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.

FINANCIAL POSITION, CASH FLOW, AND CAPITAL COMMITMENTS

The Group's net assets increased by \$165,264,000 during the year, reflecting a \$342,134,000 increase in total assets offset by a \$176,870,000 increase in total liabilities.

Key asset movements

Trade and other receivables were \$188,550,000 higher than the comparative year due to \$142,412,000 of loan drawdowns under the syndicated loan facility that were not received until after year end, \$7,303,000 of prepaid transaction costs under the syndicated loan facility, and a \$37,371,000 increase in VAT receivable from the Burkina Faso government.

Inventories increased by \$35,892,000 mainly due to \$28,408,000 of ore stockpile and \$7,156,000 of gold in circuit increases.

Property, plant and equipment ('PP&E') increased by \$164,470,000 mainly due to \$230,876,000 of PP&E additions and \$16,704,000 of PP&E foreign exchange movements, partially offset by \$81,555,000 of depreciation and \$1,451,000 of rehabilitation asset decreases. The PP&E additions in 2023 were mainly comprised of \$175,667,000 of mines under construction for Kiaka, \$37,215,000 of capitalised open pit stripping and underground development costs and \$17,994,000 of capital-in-progress at Sanbrado.

E&E assets increased by \$4,314,000 due to capitalisation of exploration costs at Toega and MV3.

Key liabilities movements

Trade and other payables increased by \$30,200,000 mainly reflecting the increase in supplier transactions for work at Kiaka.

Loans and borrowings increased by \$133,074,000 (combined current and non-current) due to \$146,816,000 of borrowings under the syndicated loan facility, which represents the first US\$100 million drawdown under the facility, and recognition of the \$17,505,000 PPA liability upon execution of the production payment agreement, partially offset by \$31,243,000 of transaction costs directly related to the syndicated loan facility.

Lease liabilities decreased by \$6,104,000 (combined current and non-current) due to the underlying contracts containing the lease assets nearing their termination dates.

Current tax payable increased by \$15,526,000 mainly due to lower income tax instalments paid in 2023 versus the prior year.

| NET CASH POSITION | 31 December 2023 | 31 December 2022 |
|-----------------------------------|------------------|------------------|
| | \$'000 | \$'000 |
| Cash and cash equivalents | 135,080 | 173,393 |
| Loans and borrowings | (147,180) | (14,106) |
| Loan facility drawdown receivable | 142,412 | - |
| Net cash | 130,312 | 159,287 |

The Group's net cash position decreased by \$28,975,000 from the prior year, representing a \$38,313,000 decrease in cash and cash equivalents, a \$133,074,000 increase in loans and borrowings related to the syndicated loan facility and PPA liability, offset by \$142,412,000 of loan facility drawdown receivable related to the first US\$100 million drawdown under the facility that was not received until just after year end because the funds were in-transit.

| CALCULATION OF FREE CASH FLOW | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| | \$'000 | \$'000 |
| Net decrease in cash held in the period | (42,906) | (12,401) |
| Add/(subtract): | | |
| Proceeds from issue of shares | - | (120) |
| Proceeds from exercise of share options | (247) | (526) |
| Payments for share issue costs | 20 | 345 |
| Effect of foreign exchange on cash balances | 4,593 | 2,421 |
| Free cash flow | (38,540) | (10,281) |

The Group's free cash flow was approximately in-line with the overall change in the Group's cash balance from 1 January to 31 December 2023.

Capital Commitments

The Group's capital expenditure commitments for property, plant and equipment were \$67,300,000 at 31 December 2023 (2022: \$61,200,000), with \$66,500,000 related to the Kiaka project and \$800,000 related to Sanbrado.

Resources And Reserves Statement

MINERAL RESOURCES

The following two tables provide the Mineral Resources for WAF at 31 December 2023 and 31 December 2022, respectively.

31 December 2023 Resources by Deposit

| Deposit | Cut-off | Measured Resource | | | Indicated Resource | | | Inferred Resource | | | Total Resource* | | |
|--------------------|---------|-------------------|------------|----------------|--------------------|------------|------------------|--------------------|------------|------------------|--------------------|------------|-------------------|
| | | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au |
| | g/t | | g/t | oz | | g/t | oz | | g/t | oz | | g/t | oz |
| MV3 | 0.5 | | | | 2,103,000 | 2.2 | 149,000 | 1,728,000 | 1.9 | 103,000 | 3,831,000 | 2.0 | 252,000 |
| M1 South UG | 1.5 | 1,228,000 | 10.1 | 398,000 | 1,893,000 | 8.6 | 521,000 | 312,000 | 3.4 | 34,000 | 3,434,000 | 8.6 | 953,000 |
| M1 South Deeps | 1.5 | | | | | | | 1,296,000 | 11.9 | 498,000 | 1,296,000 | 11.9 | 498,000 |
| M5 OP | 0.5 | 2,119,000 | 1.1 | 73,000 | 25,633,000 | 1.0 | 831,000 | 19,554,000 | 1.0 | 631,000 | 47,306,000 | 1.0 | 1,535,000 |
| M5 UG | 1.5 | | | | 1,693,000 | 3.6 | 195,000 | 694,000 | 4.2 | 94,000 | 2,387,000 | 3.8 | 289,000 |
| Sanbrado Stockpile | 0.4 | 3,135,000 | 0.7 | 73,000 | | | | | | | 3,135,000 | 0.7 | 73,000 |
| Toega | 0.5 | | | | 13,164,000 | 1.7 | 700,000 | 8,491,000 | 2.1 | 579,000 | 21,655,000 | 1.8 | 1,279,000 |
| Kiaka | 0.4 | | | | 212,469,000 | 0.9 | 5,954,000 | 72,378,000 | 0.8 | 1,920,000 | 284,847,000 | 0.9 | 7,875,000 |
| Total* | | 6,482,000 | 2.6 | 543,000 | 256,956,000 | 1.0 | 8,350,000 | 104,454,000 | 1.1 | 3,860,000 | 367,892,000 | 1.1 | 12,754,000 |

31 December 2022 Resources by Deposit

| Deposit | Cut-off | Measured Resource | | | Indicated Resource | | | Inferred Resource | | | Total Resource* | | |
|--------------------|---------|-------------------|------------|----------------|--------------------|------------|------------------|-------------------|------------|------------------|--------------------|------------|-------------------|
| | | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au |
| | g/t | | g/t | oz | | g/t | oz | | g/t | oz | | g/t | oz |
| MV3 | 0.5 | | | | 1,565,000 | 2.2 | 113,000 | 1,902,000 | 2.4 | 144,000 | 3,467,000 | 2.3 | 257,000 |
| M1 South UG | 1.5 | 990,000 | 10.9 | 346,000 | 2,173,000 | 8.5 | 591,000 | 103,000 | 4.5 | 15,000 | 3,265,000 | 9.1 | 952,000 |
| M1 South Deeps | 1.5 | | | | | | | 1,343,000 | 12.5 | 539,000 | 1,343,000 | 12.5 | 539,000 |
| M5 | 0.5 | 2,516,000 | 1.1 | 89,000 | 29,715,000 | 1.2 | 1,104,000 | 17,078,000 | 1.1 | 592,000 | 49,309,000 | 1.1 | 1,786,000 |
| M3 | 0.5 | 85,000 | 1.8 | 5,000 | 19,000 | 2.5 | 2,000 | | | | 104,000 | 1.9 | 6,000 |
| Sanbrado Stockpile | | 1,588,000 | 0.7 | 37,000 | | | | | | | 1,588,000 | 0.7 | 37,000 |
| Toega | 0.4 | | | | 13,127,000 | 1.7 | 698,000 | 8,354,000 | 2.1 | 569,000 | 21,481,000 | 1.8 | 1,268,000 |
| Kiaka | 0.5 | | | | 211,489,000 | 0.9 | 5,933,000 | 67,716,000 | 0.8 | 1,795,000 | 279,205,000 | 0.9 | 7,728,000 |
| Total* | | 5,178,000 | 2.9 | 477,000 | 258,089,000 | 1.0 | 8,440,000 | 96,496,000 | 1.2 | 3,655,000 | 359,763,000 | 1.1 | 12,573,000 |

* Due to rounding the totals in the above two tables may not precisely add up to, and ounces may not precisely calculate to, the amounts provided.

ORE RESERVES

The following two tables provide the Ore Reserves for WAF at 31 December 2023 and 31 December 2022, respectively.

31 December 2023 Ore Reserve by Deposit

| Deposit | Proved | | | Probable | | | Proved + Probable | | |
|---------------|------------------|------------|----------------|--------------------|------------|------------------|--------------------|------------|------------------|
| | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au |
| | | g/t | oz | | g/t | oz | | g/t | oz |
| M1 South UG | 1,298,000 | 7.3 | 304,000 | 1,591,000 | 7.7 | 392,000 | 2,889,000 | 7.5 | 696,000 |
| M5 | 1,635,000 | 1.0 | 55,000 | 5,846,000 | 1.2 | 218,000 | 7,481,000 | 1.1 | 273,000 |
| Toega | | | | 9,457,000 | 1.9 | 569,000 | 9,457,000 | 1.9 | 569,000 |
| ROM Stockpile | 3,135,000 | 0.7 | 73,000 | | | | 3,135,000 | 0.7 | 73,000 |
| Kiaka | | | | 154,685,000 | 0.9 | 4,510,000 | 154,685,000 | 0.9 | 4,510,000 |
| Total* | 6,068,000 | 2.2 | 432,000 | 171,579,000 | 1.0 | 5,689,000 | 177,647,000 | 1.1 | 6,121,000 |

31 December 2022 Ore Reserve by Deposit

| Deposit | Proved | | | Probable | | | Proved + Probable | | |
|---------------|------------------|------------|----------------|--------------------|------------|------------------|--------------------|------------|------------------|
| | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au | Tonnes | Grade | Contained Au |
| | | g/t | oz | | g/t | oz | | g/t | oz |
| M1 South UG | 1,452,000 | 6.9 | 320,000 | 2,120,000 | 6.7 | 457,000 | 3,572,000 | 6.8 | 778,000 |
| M5 | 2,216,000 | 1.1 | 79,000 | 9,689,000 | 1.3 | 393,000 | 11,906,000 | 1.2 | 472,000 |
| M3 | 77,000 | 1.4 | 3,000 | | | | 77,000 | 1.4 | 3,000 |
| Toega | | | | 9,457,000 | 1.9 | 569,000 | 9,457,000 | 1.9 | 569,000 |
| ROM Stockpile | 1,588,000 | 0.7 | 37,000 | | | | 1,588,000 | 0.7 | 37,000 |
| Kiaka | | | | 154,685,000 | 0.9 | 4,510,000 | 154,685,000 | 0.9 | 4,510,000 |
| Total* | 5,334,000 | 2.6 | 439,000 | 175,951,000 | 1.0 | 5,930,000 | 181,285,000 | 1.1 | 6,396,000 |

* Due to rounding the totals in the above two tables may not precisely add up to, and ounces may not precisely calculate to, the amounts provided.

WAF's 31 December 2023 Ore Reserves decreased by 275,000 oz gold (4%) over the prior year. Key changes were:

- Open-pit and underground mining depletion of 172,000 oz and 105,000 oz, respectively.
- ROM Stockpiles addition of 36,000 oz
- Updates to Mineral Resource and Ore Reserve models

COMPETENT PERSONS STATEMENT

The Company's estimates of Mineral Resources and Ore Reserves for the Sanbrado Project (including the Toega Deposit) are set out in the announcements titled "WAF Resource, Reserve and 10 year production update 2024" released on 28 February 2024 and in respect of M5 South titled "WAF delivers M5 South UG Mineral Resource and Scoping Study" released on 13 December 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves for the Sanbrado Project in those announcements continue to apply and have not materially changed.

The Company's estimates of Mineral Resources for the Kiaka Project referred to in this report are set out in the announcement titled "West African Resources to Acquire 6.8Moz Kiaka Gold Project" released on 26 October 2021 with the Ore Reserves and additional Kiaka South Mineral Resources set out in the announcement titled "Kiaka Feasibility Delivers 4.5Moz Reserve, 18.5 year Mine Life" released on 3rd August 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves for the Kiaka Project in the announcements continue to apply and have not materially changed.

Information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Brian Wolfe (Kiaka, Toega and M5 Open Pit Mineral Resources), Niel Silvio (M5 Underground, M1 South Underground, MV3 Open Pit and M1 South Deeps Mineral Resources), Aleksandr Melanin (M1 South Underground Ore Reserves), Peter Wright (M5 open pit Ore Reserves) and Stuart Cruickshanks (Kiaka and Toega open pit Ore Reserves) who are Competent Persons. Mr Wolfe is

principal consultant of International Resources Solutions Pty Ltd who specialises in mineral resource estimation, evaluation, and exploration and a Member of the Australian Institute of Geoscientists who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC Code 2012'). Mr Silvio is an employee of the Company and a Member of the Australian Institute of Mining and Metallurgy who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Melanin is an employee of the company and a Member of the Australian Institute of Mining and Metallurgy who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Cruickshanks was an employee of the Company and is now a consulting Mining Engineer. He is a Fellow of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Mr Wright is an employee of the company and a Member of the Australian Institute of Mining and Metallurgy who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012. Each of the Competent Persons referred to above has reviewed the contents of this report and consents to the inclusion in this report of all technical statements based on their respective information in the form and context in which they appear.



Information on Directors and Company Secretary

Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

CURRENT DIRECTORS



RICHARD HYDE

BSc (Geology and Geophysics), MAusIMM, MAIG

Executive Chairman and Chief Executive Officer

Richard Hyde is a geologist with more than 25 years' experience in the mining industry and more than 20 years of experience in West Africa. He has managed large exploration and development projects for gold and base metals in Australia, Africa and Eastern Europe. He led the Company from incorporation in 2006, IPO in 2010, and through the discovery, development, and operation of the Sanbrado Gold Project.

Mr Hyde is a founding shareholder and commenced as a Director in 2006.

Committee memberships:

Technical, Risk, Nomination

Other ASX listed directorship:

Nil

Previous ASX listed directorship in the last 3 years:

Nil



LYNDON HOPKINS

BSc (Geology), MAusIMM, MAIG, MAICD

Executive Director and Chief Operating Officer

Lyndon Hopkins is a geologist with more than 30 years' experience in gold exploration, development and production in Australia and Africa. He was Chief Operating Officer of Equigold NL's Ivory Coast operations and managed the in-country aspects of the project development and feasibility study for the Bonikro Gold Mine. He was also Mine Manager for the construction of Regis Resources Ltd's Rosemont Gold Mine.

Mr Hopkins has been West African's Chief Operating Officer since 2015 and commenced as a Director on 6 September 2019.

Committee memberships:

Technical, Risk, Nomination

Other ASX listed directorship:

Nil

Previous ASX listed directorship in the last 3 years:

Nil



ELIZABETH (LIBBY) MOUNSEY

BBus (Human Resources and Industrial Relations), MAICD

Executive Director of Human Resources

Libby Mounsey has more than 30 years' experience in human resources and industrial relations across the mining, construction, health, fisheries, and aviation industries. Over the past 15 years, she has held senior positions with resource companies in various stages of development through feasibility, construction and operations. She holds a Bachelor of Business (Human Resources & Industrial Relations) from Edith Cowan University and is a Member of the Australian Institute of Company Directors. Ms Mounsey joined the Board on 29 May 2020.

Committee memberships:

Technical, Risk, Nomination

Other ASX listed directorship:

Nil

Previous ASX listed directorship in the last 3 years:

Nil



ROD LEONARD

BSc and MSc (Metallurgical Engineering), MAusIMM, GAICD

Lead Independent Director and Non-Executive Director

Rod Leonard is one of the founding Directors of Lycopodium (ASX: LYL) and served as an Executive Director of Lycopodium Limited from 2004 to 2019. He has more than 30 years' experience in the operation and project development of major projects in North and South America, Africa, Asia and Australia. He has been involved in many aspects of the mineral processing industry from process development, feasibility studies, and design assignments as well as commissioning of projects.

Mr Leonard joined the Board on 6 September 2019 and was appointed as Lead Independent Director on 2 February 2021.

Committee memberships:

Technical, Risk (Chair), Audit, Remuneration, Nomination

Other ASX listed directorship:

Lycopodium Limited

Previous ASX listed directorship in the last 3 years:

Nil



NIGEL SPICER

BSc (Mining), CEng, MAusIMM

Non-Executive Director

Nigel Spicer is a Mining Engineer with more than 40 years' experience in mining and has held operational and executive management positions with mining companies in Africa, UK, Australia, Indonesia, PNG, Brazil and Philippines. He has extensive open pit and underground (narrow vein and bulk tonnage) mining experience across a range of commodities, including gold and copper.

He has significant experience managing both owner and contract mining fleets and has been involved in the successful commissioning of a number of gold mines in Australia and Africa.

Mr Spicer joined the Board on 6 September 2019.

Committee memberships:

Technical (Chair), Risk, Audit, Nomination

Other ASX listed directorship:

Nil

Previous ASX listed directorship in the last 3 years:

Nil



ROBIN ROMERO

BCom (Accounting and Finance), LLB, CA ANZ, GAICD

Non-Executive Director

Robin Romero has more than 30 years of accounting, legal and commercial experience. She is a former General Counsel and Executive Director of mining contractor Barminto Limited and is Legal Counsel at FMR Investments Pty Ltd. She is currently a NED of ASX-listed Euroz Hartleys Group Limited and a NED of not-for-profit group Greening Australia Limited.

Prior to these roles, Ms Romero spent more than 10 years working in large accounting and law firms including KPMG, EY, and King & Wood Mallesons.

She holds BComm and Bachelor of Laws degrees from the University of Western Australia, is a Chartered Accountant and an Australian Institute of Company Directors member.

Ms Romero joined the Board on 1 December 2022.

Committee memberships:

Risk, Audit (Chair), Remuneration, Nomination

Other ASX listed directorship:

Euroz Hartleys Group Limited

Previous ASX listed directorship in the last 3 years:

Nil



STEWART FINDLAY

BCom (Accounting and Finance), MAICD

Non-Executive Director

Stewart Findlay has more than 25 years' financial markets experience and has provided project finance (senior secured debt and corporate facilities), equity investments, commodity hedging arrangements and corporate advice to many resource companies.

He has held senior positions in the metals and mining divisions of Macquarie Bank and National Australia Bank. He holds a Bachelor of Commerce (Accounting & Finance) from the University of New South Wales and is a Member of the Australian Institute of Company Directors.

Mr Findlay joined the Board on 29 May 2020.

Committee memberships:

Risk, Audit, Remuneration (Chair), Nomination (Chair)

Other ASX listed directorship:

Nico Resources Limited

Previous ASX listed directorship in the last 3 years:

Nil

COMPANY SECRETARIES

PADRAIG O'DONOGHUE

Chief Financial Officer since June 2018 and Company Secretary since May 2020.

Mr O'Donoghue has extensive experience in the mining industry and has held CFO and Company Secretarial positions with several private and ASX-listed mining and contracting companies, including Consolidated Rutile, VDM, Navigator, Jabiru and Barminto. His career has included roles with PWC in Vancouver, Canada where he qualified as a Chartered Accountant and with Placer Dome and Barrick in senior management and operational positions in Australia and internationally. Padraig holds a Bachelor of Commerce degree from the University of British Columbia, Canada.

ANNIE ATKINS

Legal Counsel and Joint Company Secretary, appointed on 13 November 2023.

Ms Atkins is an experienced lawyer and company secretary with a background of broad commercial experience gained in both in-house and private practice roles. She has over 20 years of legal practice experience including legal leadership roles and experience leading a wide range of corporate transactions including project financing, acquisitions, recapitalisations and major projects. Annie's most recent roles have included Chief Legal Officer at family office Lance East Office, Deputy General Counsel of both Tattarang, one of Australia's largest private investment groups, and the Minderoo Foundation and Senior Associate at national law firm Clayton Utz. She has also served as Legal Counsel and Company Secretary at Macquarie Bank (Sydney) in its Infrastructure and Specialised Funds division.

Principal Activities

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

- operation of the Sanbrado Gold Project ('Sanbrado');
- construction of the Kiaka Gold Project ('Kiaka');
- completion of the Toega gold deposit ('Toega') feasibility study and advancement of the Toega mining licence application; and
- mineral exploration on the Group's exploration tenements located in Burkina Faso.

Dividends

No dividends have been paid or declared since the start of the year and the Directors do not recommend the payment of a dividend in respect of the year.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the Group occurred in the year.

Significant Event 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.

Likely Developments and Expected Results

In the opinion of the Directors, likely developments in and expected results of the operations of the Group have been disclosed in the "Operating Review", "Financial Review" and "Significant Events After Balance Sheet Date" sections of this Annual Report. Disclosure of any further information regarding likely developments in the operations of the Group in future years and the expected results of those operations is likely to result in unreasonable prejudice to the Company.

Share Options and Performance Rights

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

| | Issue date | Exercise price | Expiry date | Number issued |
|----------------------------|--|----------------|-------------|------------------|
| OPTIONS | 11 Jun 20 | \$0.6061 | 11 Jun 24 | 251,196 |
| | | | | 251,196 |
| PERFORMANCE RIGHTS* | | | | |
| | 8 Dec 20 | \$0.0000 | 8 Dec 24 | 800,000 |
| | 17 Dec 20 | \$0.0000 | 17 Dec 24 | 1,250,000 |
| | 9 Apr 21 | \$0.0000 | 9 Apr 25 | 34,653 |
| | 20 May 21 | \$0.0000 | 20 May 25 | 201,051 |
| | 11 Jun 21 | \$0.0000 | 11 Jun 24 | 10,148 |
| | 6 Apr 22 | \$0.0000 | 6 Apr 25 | 360,874 |
| | 6 Apr 22 | \$0.0000 | 6 Apr 27 | 68,322 |
| | 6 Apr 22 | \$0.0000 | 6 Apr 26 | 68,322 |
| | 26 May 22 | \$0.0000 | 26 May 25 | 115,295 |
| | 26 May 22 | \$0.0000 | 26 May 27 | 149,456 |
| | 26 May 22 | \$0.0000 | 26 May 26 | 149,456 |
| | 27 May 22 | \$0.0000 | 27 May 25 | 174,864 |
| | 27 May 22 | \$0.0000 | 27 May 27 | 235,927 |
| | 27 May 22 | \$0.0000 | 27 May 26 | 235,926 |
| | 16 Feb 23 | \$0.0000 | 16 Feb 25 | 30,906 |
| | 15 Mar 23 | \$0.0000 | 15 Mar 26 | 322,732 |
| | 15 Mar 23 | \$0.0000 | 15 Mar 28 | 304,294 |
| | 15 Mar 23 | \$0.0000 | 15 Mar 27 | 606,041 |
| | 12 May 23 | \$0.0000 | 12 May 26 | 552,593 |
| | 12 May 23 | \$0.0000 | 12 May 28 | 568,009 |
| | 12 May 23 | \$0.0000 | 12 May 27 | 568,008 |
| | 12 May 23 | \$0.0000 | 12 May 25 | 30,906 |
| | | | | 6,837,783 |
| | Total options and performance rights on issue | | | 7,088,979 |

* Performance rights are granted subject to various performance hurdles.

Non-Audit Services

No fees were paid or payable for non-audit services provided by the auditor of the parent entity during the year.

Directors' Meetings

The number of Board of Directors meetings and Board Committee meetings held during the year and the number of meetings attended by each director were as follows:

| DIRECTOR | Board of Directors | | Committees of the Board | | | | | | | | | |
|-----------------|--------------------|---|-------------------------|---|--------------|---|-----------|---|------|---|------------|---|
| | | | Audit | | Remuneration | | Technical | | Risk | | Nomination | |
| | A | B | A | B | A | B | A | B | A | B | A | B |
| Richard Hyde | 7 | 7 | - | - | - | - | 4 | 4 | 1 | 1 | 1 | 1 |
| Lyndon Hopkins | 7 | 7 | - | - | - | - | 4 | 4 | 1 | 1 | 1 | 1 |
| Libby Mounsey | 7 | 7 | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Rod Leonard | 7 | 7 | 3 | 3 | 3 | 3 | 4 | 4 | 1 | 1 | 1 | 1 |
| Nigel Spicer | 7 | 7 | 3 | 3 | - | - | 4 | 4 | 1 | 1 | 1 | 1 |
| Stewart Findlay | 7 | 7 | 3 | 3 | 3 | 3 | - | - | 1 | 1 | 1 | 1 |
| Robin Romero | 7 | 7 | 3 | 3 | 3 | 3 | - | - | 1 | 1 | 1 | 1 |

A | The number of meetings held whilst a Director or a committee member

B | The number of meetings the Director or committee member attended

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.



Thickener area at Sanbrado

06

Remuneration Report (Audited)

The Directors of West African Resources Limited present the Remuneration Report for the Group for the year ended 31 December 2023. This Remuneration Report forms part of the Directors' Report and has been prepared in accordance with the Corporations Act 2001.

1. REMUNERATION REPORT OVERVIEW

This Remuneration Report details the remuneration arrangements for West African's Key Management Personnel ('KMP'), being:

- the Non-Executive Directors ('NEDs'); and
- the Executive Directors and the other senior executives with authority for planning, directing and controlling the major activities of the Group (together the 'Executives').

The KMP during the year are set out below. All of them served in their capacity for the entire year.

| Name | Position | Appointed |
|--------------------------------|--|-----------------------|
| NON-EXECUTIVE DIRECTORS | | |
| Nigel Spicer | Non-Executive Director | September 2019 |
| Rod Leonard | Non-Executive Director | September 2019 |
| | Lead Independent Director | February 2021 |
| Stewart Findlay | Non-Executive Director | May 2020 |
| Robin Romero | Non-Executive Director | December 2022 |
| EXECUTIVE DIRECTORS | | |
| Richard Hyde | Executive Chairman and Chief Executive Officer | September 2006 |
| Lyndon Hopkins | Executive Director and Chief Operating Officer | September 2019 |
| Libby Mounsey | Executive Director of Human Resources | December 2022 |
| SENIOR EXECUTIVE | | |
| Padraig O'Donoghue | Chief Financial Officer and Company Secretary | June 2018 May 2020 |

2. GROUP PERFORMANCE AND ITS LINK TO SHAREHOLDER RETURNS

The following table provides the earnings per share, dividends per share, net profit/(loss) and share price of West African Resources Limited at 31 December 2023 compared to the 4 previous reporting periods.

| Period ending | DEC 2023 | DEC 2022 | DEC 2021 | DEC 2020 | DEC 2019 |
|-----------------------------|----------------|-----------|-----------|-----------|-----------|
| Reporting period length | 12 months | 12 months | 12 months | 12 months | 12 months |
| EPS (cents) | 14.3 | 16.1 | 20.9 | 10.2 | (0.5) |
| Dividends (cents per share) | Nil | Nil | Nil | Nil | Nil |
| Net profit/(loss) (\$'000) | 164,797 | 183,706 | 214,438 | 98,900 | (4,334) |
| Share price (\$) | 0.945 | 1.175 | 1.320 | 1.050 | 0.430 |

3. REMUNERATION GOVERNANCE

A. REMUNERATION COMMITTEE RESPONSIBILITY

The Remuneration Committee is a subcommittee of the Board. It is primarily responsible for making recommendations to the Board on:

- Executive remuneration, including the executive incentive scheme framework and associated policies, targets, and awards;
- matters relating to Executive and Non-Executive Director recruitment, retention, performance measurement and termination; and
- NED remuneration.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Executives and NEDs by reference to relevant employment market conditions in comparative peer companies both locally and internationally with the overall objective of maximising stakeholder benefit from the retention and incentivisation of a high performing Board and Executive team. Further information on the duties and responsibilities of the Remuneration Committee is contained in the Remuneration Committee Charter which is available on the Company's website.

B. USE OF REMUNERATION ADVISORS

External remuneration consultants may be engaged directly by the Board or the Remuneration Committee to provide information or advice. Where a remuneration recommendation is made relating to the Board, Executive and KMP, the advice will be provided directly to an Independent Non-Executive Director and shall be free of influence from management.

In 2022, the Remuneration Committee engaged The Reward Practice Pty Ltd (The Reward Practice) to review and provide benchmarking for Executive and Non-Executive Remuneration. The Reward Practice recommendations were provided to the Remuneration Committee as an input into decision making and were used to assist the Remuneration Committee and Board in reviewing executive remuneration packages (base salaries and quantum/mix of incentives), and NED fees, including Committee fees. The remuneration advice and analysis received in 2022 remained current in 2023 with the planned 2024 remuneration levels for the Executives and NEDs remaining consistent with 2023. Accordingly, external remuneration specialists were not engaged for advice relating to Board, Executive or KMP remuneration during 2023, and no fees were paid to external remuneration consultants during the year.

C. EXECUTIVE REMUNERATION POLICY

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- fair, competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company's performance, strategic and business objectives and the creation of shareholder value;

- transparent and easily understood; and
- aligned with shareholders, linking both short and long term shareholder value creation.

The Company's approach to remuneration ensures that remuneration is competitive, performance focused, clearly links appropriate reward with desired business performance, efficient to administer, and easy to understand by Executives and shareholders.

In line with the remuneration policy, remuneration levels are reviewed annually to ensure alignment to the market and the Company's stated objectives.

D. REMUNERATION FRAMEWORK

The following executive remuneration framework was adopted by the Board in 2018. Since this time, the framework has been reviewed by external remuneration consultants in 2018 and 2022 and confirmed as suitable for the Company by the Remuneration Committee in 2023.

| Type | Category | Definition of category | Purpose summary |
|-----------------------------|--------------------------|---|--|
| Fixed remuneration | Total fixed remuneration | Pay which is linked to the present value and market rate of the role. | Pay for fulfilling the requirements of the role. |
| At-risk remuneration | Short term incentive | Pay for delivering the plan and growth agenda for WAF, which must create value for shareholders. Incentive pay will be linked to the achievement of 'line-of-sight' performance goals. It reflects ' pay for performance '. | Incentive for the achievement of annual objectives and sustained business value. |
| At-risk remuneration | Long term incentive | Pay for creating value for shareholders. Reward pay is linked to shareholder returns. It reflects ' pay for results '. | Incentive for performance over the long term. |

An important governance and legal component of the remuneration framework is the Company's Employee Awards Plan. Following shareholder approval at its May 2023 Annual General Meeting, the Company adopted an updated Employee Awards Plan ('Updated Plan'). The update was undertaken to align the Updated Plan with new provisions under Division 1A to Part 7.12 of the Corporations Act 2001 with respect to being eligible for relief from the Corporations Act's requirements for disclosure and on-sale, however in most operating respects the Updated Plan is consistent with the one it replaced, and the purpose of both plans are to:

- assist in the reward, retention and motivation of participants;
- link the reward of participants to performance and the creation of shareholder value;
- align the interests of participants more closely with the interests of shareholders; and
- provide greater incentive for participants to focus on the Company's longer-term goals.

All equity incentives issued to NEDs, Executives and other employees, including options and Performance Rights, have been issued by the Company under the terms and conditions of the Updated Plan or the previous employee award plan it replaced.

E. FIXED REMUNERATION

Total fixed remuneration ('TFR') consists of the base salary, superannuation, and other non-monetary benefits such as employee leave. TFR is intended to compensate the Executives for:

- competently and professionally fulfilling the scope of the Executive's roles and responsibilities; and
- the Executive's skills, experience, and qualifications.

F. AT-RISK REMUNERATION

In order to ensure that executive remuneration is aligned to Company performance, a portion of each Executive's remuneration is placed "at risk". The STI and LTI categories comprise this at-risk component.

Short-term incentive ('STI'):

- The primary purpose of the STI is to incentivise Executives to achieve the annual STI performance targets which are set by the Board at the beginning of the year. The STI performance targets clearly set out the annual performance targets the Board requires from management, and achievement of the targets is determined by the Board at the end of the year.
- The STI also enables the Executives to accumulate equity in the business which provides alignment with the shareholders for sustained strong business results.
- The STI also provides an employee-retention benefit to the Company due to the service vesting conditions of the STI equity award, which require a period of continuous service before the equity awards vest. This service condition is typically two years.

Long-term incentive ('LTI'):

- The LTI is designed to incentivise Executives to achieve strategic objectives, delivering long-term shareholder value as evidenced by market and non-market measures. The LTI is designed to reward the Executives for the achievement of long-term performance targets set by the Board at the beginning of the long-term performance period. The long-term targets are intended to provide clear and measurable direction as to what the Board and shareholders require over the long-term performance period, which is typically a minimum of 3 years.
- The LTI also enables the Executives to accumulate equity in the business which provides alignment with the shareholders for sustained strong business results.
- The LTI also provides an employee retention benefit due to the LTI equity awards including a condition that requires Executives to remain in continuous service to the Company in order for them to vest.

4. NON-EXECUTIVE DIRECTOR REMUNERATION

West African Resources Limited's NED fee policy is designed to attract and retain high calibre Directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence, and objectivity.

The Company's constitution and the ASX listing rules specify that the NED fee pool limit shall be approved periodically by shareholders. The last determination at an AGM was an aggregate fee pool of \$900,000 per year to ensure the Company can continue to attract and retain a high-performing Board of Directors with the appropriate overall skillset and composition.

The following table sets out the NED annual fee levels.

| TITLE | 2023 | 2022 |
|---|-----------|-----------|
| Lead Independent Director base fee | \$150,000 | \$112,500 |
| NEDs base fee | \$120,000 | \$90,000 |
| Additional fee for being a committee chair* | \$15,000 | Nil |

* Excludes the Nomination Committee.

NED remuneration consists solely of director fees. There is no scheme to provide retirement benefits to NEDs other than statutory superannuation. Aside from being offered the option of receiving 30% of their base director fees in the form of Performance Rights, NEDs do not participate in any performance related incentive programs.

Whilst WAF has no minimum shareholding policy for NEDs, the Board is of the view that it is beneficial for NEDs to hold an equity interest because it is in alignment with the Company's shareholders. The NED fee structure in 2023 was either one of the following, at the election of each individual NED:

- i) 100% of NED fees paid in cash; or
- ii) 30% of NED base fees paid in Performance Rights (30% equity component) with the remainder paid in cash.

The 30% equity component of the structure has been approved, in respect of each participating Director, at a General Meeting of Shareholders of the Company. All of the Company's NEDs elected to participate in the 30% equity component in respect of their 2023 NED fees.

As noted in the above table setting out the NED fee levels, in 2023 the Company introduced an additional fee for NEDs undertaking the chairperson of a Board Committee (other than the Nomination Committee). No additional fees apply for being a committee member or chair of the Nomination Committee.

NEDs are entitled to be paid, as the Board determines, for additional services provided to the Group outside of their Directorship responsibilities. They may also be reimbursed for out-of-pocket expenses they incur as a result of their directorships.

5. EXECUTIVE REMUNERATION

A. EXECUTIVE REMUNERATION STRUCTURE

The remuneration framework provides for total remuneration for each Executive to be split between the fixed and at-risk components. The following table sets out the apportionment of fixed and at-risk remuneration that applied in 2023.

| EXECUTIVE | Fixed remuneration | At-risk remuneration |
|-----------------------------|--------------------|----------------------|
| | | (STI and LTI) |
| Executive Chairman & CEO | 42% | 58% |
| Chief Operating Officer | 45% | 55% |
| CFO & Company Secretary | 50% | 50% |
| Director of Human Resources | 50% | 50% |

The 'at-risk' apportionment for each Executive is comprised as follows, which shows a significant weighting towards the long-term (LTI) component. In the Board's view this provides a balance of Executive incentivisation that aligns with shareholders for both short-term results and long-term sustainable returns.

| EXECUTIVE | STI cash incentive | STI equity incentive | LTI equity incentive |
|-----------------------------|--------------------|----------------------|----------------------|
| Executive Chairman & CEO | 14% | 25% | 61% |
| Chief Operating Officer | 17% | 25% | 58% |
| CFO & Company Secretary | 20% | 40% | 40% |
| Director of Human Resources | 20% | 40% | 40% |

The proportions in the above tables are used as a guide by the Remuneration Committee to recommend to the Board the maximum of each component of at-risk remuneration that can be earned by the Executives each year. The equity incentives are awarded by the Board early in the year, with the number awarded calculated based on the 7-day VWAP of WAF shares at the beginning of the incentive performance period. The number of equity incentives that will ultimately vest and become exercisable by the Executives is determined by the Board based on their assessment of the achievement of the vesting conditions set out when the equity incentives were awarded. The vesting conditions of the equity awards represent the market and non-market performance targets established by the Board that the Executive must achieve to earn that portion of their at-risk remuneration.

The equity incentives also provide an employee-retention benefit to the Company, in addition to the performance target incentives. For example, the STI equity incentives include a 2-year continuous service vesting condition, and each LTI equity incentive includes a condition that it will lapse if the Executive's employment terminates before the LTI equity award has vested.

B. EXECUTIVE SERVICE AGREEMENTS

The terms and conditions of employment of Executives are set out in their Executive Service Agreements ('ESAs'). A summary of the ESAs is shown in the following table.

| EXECUTIVE | Total Fixed Remuneration [^] (annual) | Contract term | Company notice-period | Employee notice-period | Termination benefit* |
|--------------------|--|----------------------------------|-----------------------|------------------------|-------------------------|
| Richard Hyde | \$832,500 | Until terminated by either party | 6-months' notice | 3-months' notice | Nil termination benefit |
| Lyndon Hopkins | \$666,000 | Same as above | Same as above | Same as above | Same as above |
| Padraig O'Donoghue | \$555,000 | Same as above | Same as above | Same as above | Same as above |
| Libby Mounsey | \$388,500 | Same as above | Same as above | Same as above | Same as above |

[^] Amount shown includes fixed base annual salary, plus superannuation. The Executives' total fixed remuneration was adjusted on 1 July 2023 in relation to the change in superannuation guarantee from 10.5% to 11.0%.

* Termination benefits shown assume that termination was not due to a change of control of the Company.

C. AT-RISK REMUNERATION

At the beginning of 2023 the Board set out STI and LTI performance targets for Executives to earn their at-risk remuneration. The following table summarises the Executives' 2023 STI targets and their level of achievement as determined by the Board at the end of the year. These targets were the same for all of the Executives and the same targets applied to both the cash incentive portion of the STI and the equity incentive portions (as set out in section 5A of this report).

| STI Category | STI Target | Weighting | Level of achievement |
|--|--|--|----------------------|
| Gateway hurdle | 200,000 ounces of gold is produced in 2023. | Gateway hurdle which determines if any STI will be paid for 2023 | Gateway achieved |
| Gold production | Ounces of gold produced in 2023. Threshold: 200,000 (80% achievement) Target: 220,000 (100% achievement) | 30% | 100% |
| Costs | 2023 cost guidance is achieved, being AISC of US\$1,175 per ounce. Threshold: \$1,215 (80% achievement) Target: \$1,175 (100% achievement) | 30% | 100% |
| Growth | Kiaka Project Development milestones achieved by 31 December 2023: <ul style="list-style-type: none"> • Engineering and Drafting; and • Concrete Batch Plant operational | 10% | 100% |
| Social | There are no significant ⁴ social incidents recorded. | 10% | 100% |
| Environment | There are no significant ⁴ environmental incidents recorded. | 10% | 100% |
| Safety | The 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) is below the annual gold industry 'reportable injuries frequency rate' as published by DMIRS - Western Australia. | 5% | 100% |
| Safety | External OHS Audit reports greater than 80% compliance. | 5% | 100% |
| Overall level of achievement for 2023 | | 100% | 100% |

For 2023 the Executives earned an additional 3% on the cash portion of their 2023 STI due to achievement of a stretch performance measure in relation to the 'all in sustaining costs' outcome for the year. The Executives' total 2023 cash STI, inclusive of this additional 3% stretch amount, is shown in the 'cash bonus' column of the 'Remuneration Outcomes' table in section 6A of this remuneration report.

The 2023 STI equity incentive portion was comprised of Performance Rights with an expiry period of 3 years and an additional vesting condition that the Executive must remain an employee of the Company for two years from the date the Performance Rights were issued. The Board has determined that 100% of each Executive's 2023 STI Performance Rights will vest, subject to them satisfying the remainder of their 2-year service period.

⁴"Significant" in this context means a Major Consequence as categorised under the Company's enterprise risk matrix.

The following table sets out the vesting conditions of the 2023 LTI equity instruments issued to Executives at the beginning of 2023 along with their proportion of each Executive's overall 2023 equity LTI and end-of-year vesting status.

| LTI equity instrument | Proportion of 2023 equity LTI | Vesting conditions | Vesting status | | | | | | | | |
|---|-----------------------------------|---|--------------------|--------------------|-------------------------|-----|---------------------------|----|--|-----------------------------------|--|
| 2023 Production LTI Performance Rights (expire 5 years from issue date) | 50% | At least 600,000 ounces of gold is poured within the three-year period from 1 January 2023 to 31 December 2025. 600,000 (80% achievement) 700,000 (100% achievement) | Unvested | | | | | | | | |
| 2023 Growth LTI Performance Rights (expire 4 years from issue date) | 25% | Kiaka reaches first gold pour by 31 December 2025. | Unvested | | | | | | | | |
| 2023 Reserve Replacement LTI Performance Rights (expire 4 years from issue date) | 25% | The proportion of Performance Rights that vest will be determined by the Board based on replacement of Ore Reserves due to depletion over the three-year period from 1 January 2023 to 31 December 2025 using the following guidelines: | Unvested | | | | | | | | |
| | | <table><tr><th>Ore Reserve Change</th><th>Vesting proportion</th></tr><tr><td>Ore reserve is depleted</td><td>Nil</td></tr><tr><td>Ore reserve is maintained</td><td>0%</td></tr><tr><td>Ore reserve is maintained or grown up to 20%</td><td>50% to 100% (straight line basis)</td></tr></table> | Ore Reserve Change | Vesting proportion | Ore reserve is depleted | Nil | Ore reserve is maintained | 0% | Ore reserve is maintained or grown up to 20% | 50% to 100% (straight line basis) | |
| Ore Reserve Change | Vesting proportion | | | | | | | | | | |
| Ore reserve is depleted | Nil | | | | | | | | | | |
| Ore reserve is maintained | 0% | | | | | | | | | | |
| Ore reserve is maintained or grown up to 20% | 50% to 100% (straight line basis) | | | | | | | | | | |

The 2023 STI and LTI equity awards issued to the Executive Directors were approved by shareholders at the Company's 12 May 2023 Annual General Meeting and additional details of these awards are contained in the corresponding notice of meeting.

6. REMUNERATION OUTCOMES

A. SUMMARY OF REMUNERATION PAID TO EXECUTIVE KMP IN 2023

The remuneration disclosures of the executive KMP for the year ended 31 December 2023, prepared in accordance with the requirements of the Corporations Act 2001 and the relevant Australian Accounting Standards, are detailed in the following table.

| | Fixed remuneration | | | | Variable remuneration | | | | Total remuneration | Performance based % of remuneration | | |
|---------------------|----------------------|-------------|-------------------------------|-----------|-----------------------|-----------|--------------------|-------------|--------------------|-------------------------------------|--------------------------------------|-----|
| | Cash salary and fees | Super | Annual and long service leave | Total | Cash bonus* | Options | Performance Rights | Total | | Fixed remuneration % | Remuneration linked to performance % | |
| | | | | | | | | | | | | |
| EXECUTIVE DIRECTORS | | | | | | | | | | | | |
| Richard Hyde | 31 Dec 23 | \$803,125 | \$27,500 | \$78,951 | \$909,576 | \$171,495 | - | \$1,090,593 | \$1,262,088 | \$2,171,664 | 42% | 58% |
| | 31 Dec 22 | \$702,087 | \$14,538 | \$64,925 | \$781,550 | \$129,285 | - | \$1,003,154 | \$1,132,439 | \$1,913,989 | 41% | 59% |
| Lyndon Hopkins | 31 Dec 23 | \$602,419 | \$27,500 | \$92,776 | \$722,695 | \$137,196 | - | \$711,056 | \$848,252 | \$1,570,947 | 46% | 54% |
| | 31 Dec 22 | \$530,548 | \$20,702 | \$61,745 | \$612,995 | \$99,450 | - | \$655,156 | \$754,606 | \$1,367,601 | 45% | 55% |
| Libby Mounsey | 31 Dec 23 | \$355,926 | \$31,699 | \$32,874 | \$420,499 | \$80,031 | - | \$73,886 | \$153,917 | \$574,416 | 73% | 27% |
| | 31 Dec 22 | \$25,191 | \$3,000 | \$2,305 | \$30,496 | - | - | - | - | \$30,496 | 100% | 0% |
| EXECUTIVE | | | | | | | | | | | | |
| Padraig O'Donoghue | 31 Dec 23 | \$526,301 | \$27,449 | \$59,824 | \$613,574 | \$114,330 | - | \$483,638 | \$597,968 | \$1,211,542 | 51% | 49% |
| | 31 Dec 22 | \$419,664 | \$21,336 | \$44,578 | \$485,578 | \$79,560 | - | \$358,110 | \$437,670 | \$923,248 | 53% | 47% |
| Total | 31 Dec 23 | \$2,287,771 | \$114,148 | \$264,425 | \$2,666,344 | \$503,052 | - | \$2,359,173 | \$2,862,225 | \$5,528,569 | 48% | 52% |
| | 31 Dec 22 | \$1,677,490 | \$59,576 | \$173,553 | \$1,910,620 | \$308,295 | - | \$2,016,420 | \$2,324,715 | \$4,235,334 | 45% | 55% |

* Current year and prior year are presented on the accrual basis.

B. SUMMARY OF REMUNERATION PAID TO NON-EXECUTIVE KMP IN 2023

The remuneration disclosures of the non-executive KMP for the year ended 31 December 2023, prepared in accordance with the requirements of the Corporations Act 2001 and the relevant Australian Accounting Standards, are detailed in the following table. All remuneration paid to non-executive KMP was on a fixed basis, with no variable component.

| NON- EXECUTIVE DIRECTORS | Fixed remuneration | | | | Variable remuneration | | | | Total Remuneration |
|--------------------------|----------------------------|-----------------|-------------------------------|------------------|-----------------------|----------|--------------------|------------------|--------------------|
| | Cash salary and fees | Super | Annual and long service leave | Total | Cash bonus* | Options | Performance Rights | Total | |
| Rod Leonard | 31 Dec 23 \$108,353 | \$11,647 | - | \$120,000 | - | - | \$35,141 | \$35,141 | \$155,141 |
| | 31 Dec 22 \$71,429 | \$7,321 | - | \$78,750 | - | - | \$28,316 | \$28,316 | \$107,066 |
| Nigel Spicer | 31 Dec 23 \$89,391 | \$9,609 | - | \$99,000 | - | - | \$28,113 | \$28,113 | \$127,113 |
| | 31 Dec 22 \$60,007 | \$2,993 | - | \$63,000 | - | - | \$22,780 | \$22,780 | \$85,780 |
| Stewart Findlay | 31 Dec 23 \$99,000 | - | - | \$99,000 | - | - | \$28,113 | \$28,113 | \$127,113 |
| | 31 Dec 22 \$63,000 | - | - | \$63,000 | - | - | \$23,390 | \$23,390 | \$86,390 |
| Libby Mounsey* | 31 Dec 23 - | - | - | - | - | - | - | - | - |
| | 31 Dec 22 \$225,558 | \$5,857 | - | \$231,415 | - | - | \$23,390 | \$23,390 | \$254,805 |
| Robin Romero** | 31 Dec 23 \$89,391 | \$9,609 | - | \$99,000 | - | - | \$18,790 | \$18,790 | \$117,790 |
| | 31 Dec 22 \$6,787 | \$713 | - | \$7,500 | - | - | - | - | \$7,500 |
| Total | 31 Dec 23 \$386,135 | \$30,865 | - | \$417,000 | - | - | \$110,157 | \$110,157 | \$527,157 |
| | 31 Dec 22 \$426,781 | \$16,884 | - | \$443,665 | - | - | \$97,876 | \$97,876 | \$541,541 |

* Libby Mounsey was appointed as Executive Director on 1 December 2022.

** Robin Romero was appointed as Non-Executive Director on 1 December 2022.

7. DETAILS OF SHARE-BASED COMPENSATION

Options held by KMP

| | | | | | | At 31 December 2023 | | |
|--------------------|-----------------------|----------------------------|---------------------|---------------------|------------------------|---------------------|----------------|----------|
| | Balance 1 Jan 2023 | Granted as remuneration | Number exercised | Net change other | Balance 31 Dec 2023 | Total | Vested | Unvested |
| DIRECTORS | | | | | | | | |
| Richard Hyde | 406,698 | - | (406,698) | - | - | - | - | - |
| Lyndon Hopkins | 251,196 | - | - | - | 251,196 | 251,196 | 251,196 | - |
| EXECUTIVE | | | | | | | | |
| Padraig O'Donoghue | 131,578 | - | - | - | 131,578 | 131,578 | 131,578 | - |
| Total | 789,472 | - | (406,698) | - | 382,774 | 382,774 | 382,774 | - |

Performance Rights held by KMP

| | | | | | | At 31 December 2023 | | |
|--------------------|-----------------------|----------------------------|---------------------|---------------------|------------------------|---------------------|------------------|------------------|
| | Balance 1 Jan 2023 | Granted as remuneration | Number exercised | Net change other | Balance 31 Dec 2023 | Total | Vested | Unvested |
| DIRECTORS | | | | | | | | |
| Richard Hyde | 3,412,957 | 853,792 | (1,000,649) | (769,429) | 2,496,671 | 2,496,671 | 873,081 | 1,623,590 |
| Lyndon Hopkins | 2,583,432 | 569,194 | (1,000,475) | (512,810) | 1,639,341 | 1,639,341 | 577,970 | 1,061,371 |
| Rod Leonard | 26,203 | 38,633 | (26,203) | - | 38,633 | 38,633 | - | 38,633 |
| Nigel Spicer | 20,963 | 30,906 | (20,963) | - | 30,906 | 30,906 | - | 30,906 |
| Stewart Findlay | 20,963 | 30,906 | (20,963) | - | 30,906 | 30,906 | - | 30,906 |
| Libby Mounsey | 20,963 | 265,624 | (20,963) | - | 265,624 | 265,624 | - | 265,624 |
| Robin Romero | - | 30,906 | - | - | 30,906 | 30,906 | - | 30,906 |
| EXECUTIVE | | | | | | | | |
| Padraig O'Donoghue | 1,769,523 | 474,329 | (676,928) | (388,664) | 1,178,260 | 1,178,260 | 409,653 | 768,607 |
| Total | 7,855,004 | 2,294,290 | (2,767,144) | (1,670,903) | 5,711,247 | 5,711,247 | 1,860,704 | 3,850,543 |

Options granted during the year as remuneration to KMP

There were no options granted to KMP in 2023.

Performance Rights granted during the year as remuneration to KMP

| Grant date | Type | Number granted | Value each | Total value |
|--------------|-----------------------------------|------------------|------------|--------------------|
| 15-Feb-23 | in lieu of 30% of Directors' fees | 100,445 | \$0.9400 | \$94,418 |
| 7-Mar-23 | STI | 189,732 | \$0.9600 | \$182,143 |
| 7-Mar-23 | LTI | 284,597 | \$0.9600 | \$273,213 |
| 12-May-23 | STI | 552,593 | \$0.9550 | \$527,726 |
| 12-May-23 | LTI | 1,136,017 | \$0.9550 | \$1,084,896 |
| 12-May-23 | in lieu of 30% of Directors' fees | 30,906 | \$0.9550 | \$29,515 |
| Total | | 2,294,290 | | \$2,191,911 |

Options and Performance Rights exercised during the year by KMP

| Exercise date | No. of Performance Rights | No. of options | Value each on exercise date |
|---------------|---------------------------|----------------|-----------------------------|
| 11-Jan-23 | 351,759 | - | \$1.2100 |
| 13-Jan-23 | 254,489 | - | \$1.2700 |
| 14-Feb-23 | 41,926 | - | \$0.9600 |
| 15-Feb-23 | 26,203 | - | \$0.9400 |
| 12-Jul-23 | 1,423,088 | - | \$0.8800 |
| 14-Jul-23 | 20,963 | 406,698 | \$0.9250 |
| 20-Jul-23 | 648,716 | - | \$0.9200 |
| Total | 2,767,144 | 406,698 | |

Options and Performance Rights forfeited/lapsed during the year by KMP

There were no Options or Performance Rights that were forfeited or lapsed by KMP during the year.

Shareholdings of KMP

| | Balance 1 Jan 2023 | Issued as remuneration | Issued on exercise of options/ performance rights | Net change other | Balance 31 Dec 2023 | Balance at report date |
|--------------------|-----------------------|---------------------------|--|------------------|------------------------|---------------------------|
| DIRECTORS | | | | | | |
| Richard Hyde | 16,456,950 | - | 1,407,347 | - | 17,864,297 | 17,864,297 |
| Lyndon Hopkins | 2,674,353 | - | 1,000,475 | - | 3,674,828 | 3,674,828 |
| Rod Leonard | 195,188 | - | 26,203 | - | 221,391 | 260,024 |
| Nigel Spicer | 75,188 | - | 20,963 | - | 96,151 | 96,151 |
| Stewart Findlay | 66,863 | - | 20,963 | - | 87,826 | 118,732 |
| Libby Mounsey | 121,610 | - | 20,963 | - | 142,573 | 142,573 |
| Robin Romero | - | - | - | - | - | - |
| EXECUTIVE | | | | | | |
| Padraig O'Donoghue | 1,239,496 | - | 676,928 | (330,000) | 1,586,424 | 1,718,002 |
| Total | 20,829,648 | - | 3,173,842 | (330,000) | 23,673,490 | 23,874,607 |



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8. LOANS TO KMP

There were no loans to KMP during the year.

END OF AUDITED REMUNERATION REPORT.

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 92 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'R Hyde', is positioned above the printed name of the Executive Chairman & CEO.

RICHARD HYDE

Executive Chairman & CEO

Perth, 13 March 2024



07

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|----------------|----------------|
| Revenue from continuing operations | 3 | 661,225 | 608,228 |
| Cost of sales | 4(a) | (390,874) | (324,677) |
| Exploration and evaluation expenses | | (4,070) | (4,895) |
| Corporate and technical services | | (9,789) | (7,785) |
| Share-based payments | | (2,597) | (2,456) |
| Other expenses | 4(b) | (17,478) | (9,695) |
| Finance expenses | | (1,770) | (2,110) |
| Net foreign exchange gain/(loss) | | 6,446 | 947 |
| Profit before tax | | 241,093 | 257,557 |
| Income tax expense | 5 | (76,296) | (73,851) |
| Profit after tax | | 164,797 | 183,706 |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences for foreign operations | | 12,149 | 9,050 |
| Other comprehensive income, net of income tax | | 12,149 | 9,050 |
| Total comprehensive income for the year | | 176,946 | 192,756 |
| Profit attributable to: | | | |
| Owners of the parent | | 146,873 | 164,443 |
| Non-controlling interest | 24 | 17,924 | 19,263 |
| | | 164,797 | 183,706 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 159,022 | 173,493 |
| Non-controlling interest | 24 | 17,924 | 19,263 |
| | | 176,946 | 192,756 |
| Basic earnings per share (cents per share) | 6 | 14.3 | 16.1 |
| Diluted earnings per share (cents per share) | 6 | 14.2 | 15.9 |

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

08

Consolidated Statement of Financial Position

As at 31 December 2023

| | Note | 2023 | 2022 |
|---|------|------------------|---------|
| | | \$'000 | \$'000 |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 135,080 | 173,393 |
| Restricted cash | | 3,268 | 10,272 |
| Trade and other receivables | 8 | 231,917 | 43,367 |
| Inventories | 9 | 103,923 | 68,031 |
| Total current assets | | 474,188 | 295,063 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 682,530 | 518,060 |
| Right-of-use assets | 11 | 2,226 | 7,469 |
| Exploration and evaluation assets | 12 | 61,895 | 57,581 |
| Other non-current assets | 13 | - | 532 |
| Total non-current assets | | 746,651 | 583,642 |
| TOTAL ASSETS | | 1,220,839 | 878,705 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 82,608 | 52,408 |
| Loans and borrowings | 15 | 14,102 | 14,106 |
| Lease liabilities | 16 | 1,970 | 6,624 |
| Current tax payable | | 29,966 | 14,440 |
| Total current liabilities | | 128,646 | 87,578 |
| NON-CURRENT LIABILITIES | | | |
| Loans and borrowings | 15 | 133,078 | - |
| Lease liabilities | 16 | - | 1,450 |
| Provisions | 17 | 17,197 | 14,376 |
| Deferred tax liabilities | 18 | 36,087 | 34,734 |
| Total non-current liabilities | | 186,362 | 50,560 |
| TOTAL LIABILITIES | | 315,008 | 138,138 |
| NET ASSETS | | 905,831 | 740,567 |
| EQUITY | | | |
| Issued capital | 19 | 335,857 | 335,630 |
| Reserves | 20 | 30,673 | 15,785 |
| Accumulated profit | | 494,674 | 349,083 |
| Equity attributable to owners of the parent | | 861,204 | 700,498 |
| Non-controlling interest | 24 | 44,627 | 40,069 |
| TOTAL EQUITY | | 905,831 | 740,567 |

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

09

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

| | Issued capital | Accumulated profit | Foreign currency translation reserve | Share-based payments reserve | Non-controlling interest | Total |
|--|----------------|--------------------|--------------------------------------|------------------------------|--------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2022 | 335,334 | 185,540 | (8,361) | 12,534 | 29,359 | 554,406 |
| Profit after tax | - | 164,443 | - | - | 19,263 | 183,706 |
| Other comprehensive income for the period | - | - | 9,050 | - | - | 9,050 |
| Total comprehensive income for the period | - | 164,443 | 9,050 | - | 19,263 | 192,756 |
| Shares issued during the year net of transaction costs | 296 | - | - | - | - | 296 |
| Transfer to non-controlling interest | - | (900) | - | - | 900 | - |
| Share-based payments | - | - | - | 2,562 | - | 2,562 |
| Subsidiary minority interest profit distribution | - | - | - | - | (9,453) | (9,453) |
| Balance at 31 December 2022 | 335,630 | 349,083 | 689 | 15,096 | 40,069 | 740,567 |
| Balance at 1 January 2023 | 335,630 | 349,083 | 689 | 15,096 | 40,069 | 740,567 |
| Profit after tax | - | 146,873 | - | - | 17,924 | 164,797 |
| Other comprehensive income for the period | - | - | 12,149 | - | - | 12,149 |
| Total comprehensive income for the period | - | 146,873 | 12,149 | - | 17,924 | 176,946 |
| Shares issued during the year net of transaction costs | 227 | - | - | - | - | 227 |
| Transfer to non-controlling interest | - | (1,282) | - | - | 1,282 | - |
| Share-based payments | - | - | - | 2,739 | - | 2,739 |
| Subsidiary minority interest profit distribution | - | - | - | - | (14,648) | (14,648) |
| Balance at 31 December 2023 | 335,857 | 494,674 | 12,838 | 17,835 | 44,627 | 905,831 |

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

10

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|----------|------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Receipts from customers | | 658,815 | 606,134 |
| Payments to suppliers and employees | | (392,647) | (289,591) |
| Income tax paid | | (59,499) | (133,769) |
| Interest received | | 2,277 | 2,046 |
| Interest paid | 21(a) | (334) | (722) |
| Net cash inflow from operating activities | | 208,612 | 184,098 |
| INVESTING ACTIVITIES | | | |
| Payments for property, plant and equipment | | (225,379) | (102,533) |
| Capitalised exploration and evaluation expenditure | | (2,958) | (12,348) |
| Payment for acquisition of assets, net of cash acquired | | - | (65,906) |
| Net cash outflow from investing activities | | (228,337) | (180,787) |
| FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | - | 120 |
| Proceeds from exercise of share options | 19(b) | 247 | 526 |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | - | - |
| Subsidiary minority interest profit distribution | | (14,648) | (7,292) |
| Payments for share issue costs | 19(b) | (20) | (345) |
| Payments for lease liabilities | 21(b) | (5,328) | (7,544) |
| Interest paid on borrowings | | (1,420) | (653) |
| Financing costs | | - | - |
| Transaction costs related to loans and borrowings | 21(b) | (2,012) | (524) |
| Net cash outflow from financing activities | | (23,181) | (15,712) |
| Net decrease in cash held | | (42,906) | (12,401) |
| Cash at the beginning of the financial period | | 173,393 | 183,374 |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | | 4,593 | 2,420 |
| Cash at the end of the financial period | 7 | 135,080 | 173,393 |

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

11

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1. Basis of preparation

A. BASIS OF ACCOUNTING

These consolidated financial statements are presented in Australian dollars and are general purpose financial statements which have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards). They have also been prepared on the historical cost basis and do not take into account changing money values. The accounting policies are consistent with those of the previous financial period, unless otherwise stated.

The financial information for the parent entity, West African Resources Limited, is disclosed in note 31 and has been prepared on the same basis as the Group.

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 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 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.

Exploration and evaluation costs

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

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

- Estimating future life of mine costs and gold mineralisation for amortisation of mine development assets.
- Setting the useful lives and depreciation rates for plant and equipment.
- Assessing assets for impairment of their carrying value.

Valuation of PPA liability

Estimating the future cash flows to settle the production payment agreement ('PPA') liability.

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.

Share-based payments

- Estimating the fair value of share-based payments on 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 ('VAT') receivable

Estimating the amount recoverable and timing of recovery of VAT receivable from the Burkina Faso government.

F. REVENUE

The Group primarily generates revenue from the sale of gold bullion. Such 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.

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.

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 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.

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 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.

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 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 (or is acquiring) rights of tenure and where activities may not 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. RECOVERABLE AMOUNT OF NON-CURRENT ASSETS

The carrying amounts of non-current assets are reviewed annually to ensure they are not more than 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.

N. TRADE AND OTHER PAYABLES

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

O. 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.

P. LEASE LIABILITIES

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease

payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Right-of-use assets

Right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Q. PROVISION FOR REHABILITATION

Rehabilitation costs are recognised in full at present value as a liability when an obligation arises to decommission or restore a site to a certain condition. An equivalent amount is capitalised as part of the cost of the related asset.

The Group's assessment of the present value of the rehabilitation and mine closure provision requires the use of estimates and judgements, including the future cost of performing the work,

timing of the cash flows, discount rates, and final remediation strategy. Changes in the estimates or other assumptions are accounted for on a prospective basis. The provision can also be impacted prospectively by changes to legislation or regulations.

Adjustments to the provision are offset by a change in the carrying value of the related asset. Where the provisions are for assets no longer in use, such as mines and processing sites that have been closed, any adjustment is reflected directly in profit or loss.

R. 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.

S. 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 12 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, is used.

T. 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 on which they are granted. The fair value is determined by a 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 estimated number of awards that will ultimately vest. This estimate 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.

U. FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of West African Resources Limited and its Australian subsidiary are 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 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, West African Resources Development SARL, Tanlouka SARL, Société des Mines de Sanbrado SA, Volta Properties SARL, Kiaka Gold SARL and Kiaka SA, is the Communauté Financière 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, Channel Resources (Cayman II) Ltd, Volta Resources (Cayman) Inc., and Volta II Ltd is the United States Dollar ('USD').

As at the reporting date the assets and liabilities of the subsidiaries are translated into the presentation currency of West African Resources Limited at the rate of exchange ruling at the balance date and their income and expenses are translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

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.

V. FINANCIAL ASSETS

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, at fair value through other comprehensive income (OCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financial component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost of fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objectives to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

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: comprise the Sanbrado Gold Project operation located in Burkina Faso.

Construction and E&E: comprises mines under construction and exploration and evaluation (E&E) projects in locations other than Sanbrado.

B. SEGMENT INFORMATION

| | Mining operations | Construction and E&E | Other | Total |
|---|-------------------|----------------------|---------|-----------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | |
| Total segment revenue | 608,064 | 36 | 128 | 608,228 |
| Total segment expenses | 324,677 | 4,895 | 7,785 | 337,357 |
| Total segment results | 283,387 | (4,859) | (7,657) | 270,871 |
| Segment assets at 31 December 2022 | 628,227 | 140,441 | 110,037 | 878,705 |
| Segment liabilities at 31 December 2022 | 132,112 | 2,815 | 3,211 | 138,138 |
| 2023 | | | | |
| Total segment revenue | 660,808 | 36 | 381 | 661,225 |
| Total segment expenses | 390,874 | 4,070 | 9,789 | 404,733 |
| Total segment results | 269,934 | (4,034) | (9,408) | 256,492 |
| Segment assets at 31 December 2023 | 656,148 | 330,102 | 234,589 | 1,220,839 |
| Segment liabilities at 31 December 2023 | 141,701 | 14,774 | 158,533 | 315,008 |

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

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Total segment results | 256,492 | 270,871 |
| Share-based payments | (2,597) | (2,456) |
| Finance expenses | (1,770) | (2,110) |
| Other expenses | (17,478) | (9,695) |
| Net foreign exchange gain/(loss) | 6,446 | 947 |
| Profit before income tax | 241,093 | 257,557 |

All metal sales in the year were made to MKS PAMP SA.

C. GEOGRAPHICAL INFORMATION

| | Sales to external customers | | Geographical non-current assets | |
|--------------|-----------------------------|----------------|---------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Africa | 658,815 | 606,134 | 744,569 | 580,974 |
| Australia | - | - | 2,082 | 2,668 |
| Total | 658,815 | 606,134 | 746,651 | 583,642 |

3. REVENUE

| | 2023 | 2022 |
|-------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Metal sales | 658,815 | 606,134 |
| Interest received | 2,281 | 2,007 |
| Other income | 129 | 87 |
| | 661,225 | 608,228 |

4. EXPENSES

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| (a) Cost of sales | | |
| Production expenses | 293,815 | 228,378 |
| Royalties and other selling costs | 43,646 | 36,931 |
| Depreciation and amortisation | 86,790 | 58,997 |
| Changes in inventory (cash) | (20,178) | 2,318 |
| Changes in inventory (non-cash) | (13,199) | (1,947) |
| | 390,874 | 324,677 |
| (b) Other expenses | | |
| Accretion of rehabilitation provision | 547 | 350 |
| Depreciation and amortisation | 154 | 359 |
| Withholding tax expense | 16,777 | 8,986 |
| | 17,478 | 9,695 |
| (c) Other required disclosures | | |
| Employee benefits (excluding share-based payments) | 42,299 | 34,662 |

5. INCOME TAX

A. INCOME TAX RECOGNISED IN PROFIT OR LOSS

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current tax | 79,271 | 56,423 |
| Deferred tax | 1,353 | 14,761 |
| (Over)/Under provided in prior years | (4,328) | 2,667 |
| | 76,296 | 73,851 |

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

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Accounting profit before tax | 241,093 | 257,557 |
| Income tax expense at 30% | 72,327 | 77,267 |
| Add/(Deduct): | | |
| Non-deductible expenses | 5,689 | 2,964 |
| Effect of differences in foreign tax rates | (5,438) | (5,930) |
| Effect of differences in foreign exchange | 960 | 631 |
| Other permanent adjustment | 3,105 | 5,747 |
| Movement in unrecognised deferred tax assets | (347) | (6,828) |
| Income tax expense | 76,296 | 73,851 |

C. UNRECOGNISED DEFERRED TAX BALANCES

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| (a) Unrecognised deferred tax assets | | |
| Annual leave provision | 144 | 92 |
| Accrued expenses | 213 | 145 |
| Long service leave provision | 59 | 33 |
| Borrowings | 14,270 | 14,132 |
| Leases | 11 | 41 |
| Tax losses | 20,447 | 20,447 |
| (b) Unrecognised deferred tax liabilities | | |
| Cash and short-term deposits | (3,471) | (2,844) |
| Prepayments | (6) | (5) |
| Right-of-use assets | (9) | (36) |
| Net unrecognised deferred tax asset | 31,658 | 32,005 |

6. EARNINGS PER SHARE

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$ | \$ |
| Basic earnings per share (cents per share) | 14.3 | 16.1 |
| Diluted earnings per share (cents per share) | 14.2 | 15.9 |
| 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 year | 146,871,956 | 164,442,151 |
| Weighted average number of shares outstanding during the period used in calculations of basic earnings per share | 1,024,736,383 | 1,021,110,697 |
| Weighted average number of diluted shares outstanding during the period used in calculations of diluted earnings per share | 1,031,147,540 | 1,031,263,524 |

7. CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Cash at bank and in hand | 135,080 | 173,393 |
| | 135,080 | 173,393 |

8. TRADE AND OTHER RECEIVABLES

| | 2023 | 2022 |
|-----------------------------------|----------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Interest receivable | 4 | - |
| Prepayments | 10,266 | 2,856 |
| Loan facility drawdown receivable | 142,412 | - |
| VAT receivable | 77,474 | 40,103 |
| Other receivables | 1,761 | 408 |
| | 231,917 | 43,367 |

Prepayments include \$7,303,000 of prepaid transaction costs on borrowings (2022: nil). The value added tax (VAT) receivable is due from the Burkina Faso government and nil provision for doubtful debts has been applied (2022: nil provision applied). The loan facility drawdown receivable represents syndicated loan facility drawdown funds that were received at bank post 31 December 2023 (refer to note 15A for details of the syndicated loan facility).

9. INVENTORIES

| | 2023 | 2022 |
|---------------------------------------|----------------|---------------|
| | \$'000 | \$'000 |
| Ore stockpiles – cost | 62,638 | 34,230 |
| Finished goods – cost | 5,178 | 5,800 |
| Gold in circuit – cost | 10,666 | 3,510 |
| Consumable supplies and spares – cost | 25,441 | 24,491 |
| | 103,923 | 68,031 |

10. PROPERTY, PLANT AND EQUIPMENT

| | Mine development assets | Mines under construction | Capital in progress | Land and buildings | Office equipment | Plant and equipment | Light vehicles | Total |
|--|-------------------------|--------------------------|---------------------|--------------------|------------------|---------------------|----------------|----------------|
| Cost and accumulated depreciation | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 31 December 2022 | | | | | | | | |
| Gross carrying amount at cost | 202,930 | 142,580 | 32,593 | 34,729 | 734 | 236,451 | 6,093 | 656,110 |
| Accumulated depreciation | (66,754) | - | - | (9,939) | (657) | (55,629) | (5,071) | (138,050) |
| Net carrying amount | 136,176 | 142,580 | 32,593 | 24,790 | 77 | 180,822 | 1,022 | 518,060 |
| 31 December 2023 | | | | | | | | |
| Gross carrying amount at cost | 248,003 | 320,330 | 30,957 | 35,719 | 892 | 263,279 | 6,607 | 905,787 |
| Accumulated depreciation | (122,302) | - | - | (13,612) | (741) | (80,551) | (6,051) | 223,257 |
| Net carrying amount | 125,701 | 320,330 | 30,957 | 22,107 | 151 | 182,728 | 556 | 682,530 |
| Carrying value | | | | | | | | |
| 31 December 2022 | | | | | | | | |
| At the beginning of the period | 101,386 | 28 | 1,238 | 26,499 | 50 | 198,293 | 2,062 | 329,556 |
| Transfers to property, plant & equipment | - | - | (3,230) | 569 | 74 | 2,136 | 451 | - |
| Transfers from E&E assets | - | 134,093 | - | 555 | - | - | - | 134,648 |
| Additions | 64,002 | 7,639 | 34,577 | - | - | - | - | 106,218 |
| Depreciation expensed for the period | (30,000) | - | - | (2,886) | (46) | (20,052) | (1,338) | (54,322) |
| Depreciation capitalised for the period | - | - | - | - | - | (30) | (114) | (144) |
| Change in rehabilitation provision | 1,311 | - | - | - | - | - | - | 1,311 |
| Effects of movement in foreign exchange | (523) | 820 | 8 | 53 | (1) | 475 | (39) | 793 |
| Net of accumulated depreciation | 136,176 | 142,580 | 32,593 | 24,790 | 77 | 180,822 | 1,022 | 518,060 |
| 31 December 2023 | | | | | | | | |
| At the beginning of the period | 136,176 | 142,580 | 32,593 | 24,790 | 77 | 180,822 | 1,022 | 518,060 |
| Transfers to property, plant & equipment | - | - | (20,560) | - | 137 | 20,083 | 340 | - |
| Additions | 37,215 | 175,667 | 17,994 | - | - | - | - | 230,876 |
| Depreciation expensed for the period | (53,902) | - | - | (3,406) | (66) | (23,428) | (753) | (81,555) |
| Depreciation capitalised for the period | - | - | - | - | - | (20) | (84) | (104) |
| Change in rehabilitation provision | (1,451) | - | - | - | - | - | - | (1,451) |
| Effects of movement in foreign exchange | 7,663 | 2,083 | 930 | 723 | 3 | 5,271 | 31 | 16,704 |
| Net of accumulated depreciation | 125,701 | 320,330 | 30,957 | 22,107 | 151 | 182,728 | 556 | 682,530 |

11. RIGHT-OF-USE ASSETS

| | Property | Equipment | Total |
|---|------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2022 | 209 | 12,504 | 12,713 |
| Additions | - | - | - |
| Depreciation expensed for the period | (90) | (5,034) | (5,124) |
| Effects of movement in foreign exchange | - | (120) | (120) |
| Balance at 31 December 2022 | 119 | 7,350 | 7,469 |
| Balance at 1 January 2023 | 119 | 7,350 | 7,469 |
| Additions | - | - | - |
| Depreciation expensed for the period | (89) | (5,389) | (5,478) |
| Effects of movement in foreign exchange | - | 235 | 235 |
| Balance at 31 December 2023 | 30 | 2,196 | 2,226 |

The component of the 31 December 2023 balance will be depreciated over the remaining unexpired period of the respective lease agreements, which currently expire in 2024 unless extended.

12. EXPLORATION AND EVALUATION ASSETS

| | 2023 | 2022 |
|---|---------------|----------------|
| | \$'000 | \$'000 |
| Balance at 1 January | 57,581 | 175,455 |
| Additions | 2,729 | 13,455 |
| Transfer to property, plant and equipment | - | (134,648) |
| Effects of movement in foreign exchange | 1,585 | 3,319 |
| Balance at 31 December | 61,895 | 57,581 |

The recoupment of exploration and evaluation costs carried forward is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

13. OTHER NON-CURRENT ASSETS

| | 2023 | 2022 |
|-------------------|--------|------------|
| | \$'000 | \$'000 |
| Transaction costs | - | 532 |
| | - | 532 |

At 31 December 2023, all capitalised transaction costs directly attributable to establishing the syndicated loan facility are classified to borrowings (refer to note 15), while at 31 December 2022, before the loan facility was established, they were classified to other non-current assets.

14. TRADE AND OTHER PAYABLES

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Trade payables | 46,251 | 23,853 |
| Accruals | 35,192 | 27,528 |
| Employee benefits payable | 1,165 | 1,027 |
| | 82,608 | 52,408 |

15. LOANS AND BORROWINGS

A. LOAN FACILITY

| | 2023 | 2022 |
|--------------------------|----------------|----------|
| | \$'000 | \$'000 |
| Non-current | | |
| Syndicated loan facility | 146,816 | - |
| PPA liability | 17,505 | - |
| Transaction costs | (31,243) | - |
| | 133,078 | - |

(a) Syndicated loan facility

A USD denominated syndicated loan facility entered into on 29 December 2023, arranged by Sprott Resources Lending Corp. and Coris Bank International SA with a limit of US\$265 million. The utilised limit at 31 December 2023 of US\$100 million (2022: nil) carries interest at a rate of 5.5% plus the greater of (i) 3-month SOFR and (ii) 4%, payable quarterly, with loan repayments commencing in March 2026.

(b) PPA liability

A liability under a production payment agreement (PPA) to pay US\$9.82 per ounce on the first 1.5 million ounces of gold produced from the Kiaka Gold Project. The PPA liability balance was calculated by discounting the expected future cash outflows at a rate of 5%.

Amounts owing under the syndicated loan facility and PPA rank equally with respect to guarantees from substantially all companies in the Group and first ranking securities over substantially all assets of the Group.

B. SUPPLIER LOAN FACILITY

| | 2023 | 2022 |
|----------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| | 14,102 | 14,106 |
| | 14,102 | 14,106 |

An unsecured USD denominated loan facility entered into in 2019 with Byrnes Burkina Faso SARL as a component of the Sanbrado underground mining services contract, with a limit of US\$10 million. The utilised limit at 31 December 2023 of US\$9.6 million (2022: US\$9.6 million) carries an interest rate of 9.75% and is repayable in 2024 unless extended by agreement of the parties.

16. LEASES

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Current | 1,970 | 6,624 |
| Non-current | - | 1,450 |
| | 1,970 | 8,074 |
| Amounts recognised in profit or loss | | |
| Interest on lease liabilities | 352 | 722 |
| Expenses relating to short-term leases | 30 | 55 |
| | 382 | 777 |
| Amounts recognised in the statement of cash flows | | |
| Total cash outflow for leases | 5,328 | 7,544 |

17. PROVISIONS

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Non-current | | |
| Long service leave provision | 196 | 110 |
| Employee retirement provision | 2,139 | - |
| Rehabilitation provision | 14,862 | 14,266 |
| | 17,197 | 14,376 |
| Reconciliation of movements in rehabilitation provision: | | |
| Balance at the start of the period | 14,266 | 12,512 |
| Increase in rehabilitation provision during the year | 2,293 | 1,675 |
| Effects of movement in foreign exchange | (1,697) | 79 |
| Balance at the end of the period | 14,862 | 14,266 |

The Group's rehabilitation provision has been calculated by discounting the expected future rehabilitation cash outflows at a rate of 4.0% (2022: 2.75%) and assuming an average inflation rate of 3.0% (2022: 2.5%).

18. DEFERRED TAX LIABILITIES

| | 2023 | 2022 |
|---------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Deferred tax liabilities | | |
| Trade and other receivables | 1,270 | 2,840 |
| Property, plant and equipment | 29,092 | 24,999 |
| Trade and other payables | (935) | (549) |
| Borrowings | 3,029 | 3,130 |
| Borrowing costs | 3,873 | 4,314 |
| Revenue losses | (242) | - |
| Deferred tax liabilities | 36,087 | 34,734 |
| Movements: | | |
| Opening balance | 34,734 | 19,967 |
| Charged to profit and loss | 2,211 | 11,220 |
| Under/(Over) provision in prior years | (858) | 3,547 |
| Closing balance | 36,087 | 34,734 |

19. ISSUED CAPITAL

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | \$'000 | \$'000 |
| Fully paid ordinary shares | 335,857 | 335,630 |
| (a) Number of shares | No. | No. |
| At start of period | 1,022,841,993 | 1,020,773,845 |
| Issue of shares on exercise of options and performance rights | 3,496,084 | 1,972,148 |
| Issue of shares from capital raising | - | 96,000 |
| Balance at end of period | 1,026,338,077 | 1,022,841,993 |
| (b) Value of shares | \$'000 | \$'000 |
| At start of period | 335,630 | 335,334 |
| Issue of shares on exercise of options and performance rights | 247 | 526 |
| Issue of shares from capital raising | - | 120 |
| Share issue costs | (20) | (350) |
| Balance at end of period | 335,857 | 335,630 |

20. RESERVES

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Foreign currency translation reserve | 12,838 | 689 |
| Share-based payments reserve | 17,835 | 15,096 |
| | 30,673 | 15,785 |

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 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 performance rights issued by the Company under share-based payment arrangements that are not exercised or expired.

21. CASH FLOW INFORMATION

A. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Profit after income tax | 164,797 | 183,706 |
| Adjustment for: | | |
| Depreciation and amortisation | 86,945 | 59,355 |
| Share-based payments | 2,597 | 2,456 |
| Other non-cash items | - | (1,727) |
| Accretion of rehabilitation provision | 547 | 350 |
| Financing costs | 1,770 | 2,110 |
| Net foreign exchange gain | (8,146) | (11,678) |
| | 248,510 | 234,572 |
| Changes in assets and liabilities | | |
| (Increase)/Decrease in trade and other receivables | (37,525) | (3,097) |
| (Increase)/Decrease in inventories | (35,891) | (9,142) |
| (Decrease)/Increase in trade and other payables | 13,564 | 21,682 |
| (Decrease)/Increase in provisions | 3,157 | - |
| (Decrease)/Increase in current tax payable | 15,444 | (74,678) |
| (Decrease)/Increase in deferred tax liabilities | 1,353 | 14,761 |
| Net cash inflow from operating activities | 208,612 | 184,098 |

B. RECONCILIATION OF LOANS AND BORROWINGS AND LEASES TO NET CASH FLOWS FROM FINANCING ACTIVITIES

| | Loans and borrowings | Lease liabilities | Total |
|---|----------------------|-------------------|----------------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2022 | 13,118 | 12,687 | 25,805 |
| Cash outflow from financing activities | (524) | (7,544) | (8,068) |
| Effect of changes in foreign exchange rates | 979 | 2,932 | 3,911 |
| Balance at 31 December 2022 | 13,573 | 8,075 | 21,648 |
| Balance at 1 January 2023 | 13,573 | 8,075 | 21,648 |
| Cash outflow from financing activities | (2,012) | (5,328) | (7,340) |
| Drawn down yet to be received | 133,078 | - | 133,078 |
| Effect of changes in foreign exchange rates | 2,541 | (777) | 1,764 |
| Balance at 31 December 2023 | 147,180 | 1,970 | 149,150 |

22. DIVIDENDS

No dividends have been paid or declared payable during the year (2022: nil).

23. COMMITMENTS AND OTHER CONTINGENCIES

A. EXPLORATION AND MINING LEASE COMMITMENTS

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rental fees and to meet the minimum expenditure requirements. These discretionary costs are not provided for in the financial statements and will be payable as follows:

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Due within 1 year | 1,051 | 2,429 |
| Due after 1 year but not more than 5 years | 2,101 | 2,661 |
| Due after 5 years | - | - |
| | 3,152 | 5,090 |

B. CAPITAL COMMITMENTS

The Group's capital expenditure commitments for property, plant and equipment were \$67,300,000 at 31 December 2023 (2022: \$61,240,000).

C. CONTINGENT LIABILITIES

(i) Royalty agreements

The Group entered into royalty agreements with third parties in respect of the 2021 acquisition of the Kiaka Gold Project ('Kiaka') and Toega Gold Deposit ('Toega') as follows:

- Royalties will be payable on refined gold produced from ore extracted from Kiaka as follows:
 - a 3% net smelter return ('NSR') royalty on the first 2.5 million ounces; and
 - a 0.5% NSR royalty on the next 1.5 million ounces.
- Royalties will be payable on the first 1.5 million refined gold ounces produced from ore extracted from Toega as follows:
 - a 3% NSR royalty to a value of US\$25 million; and
 - thereafter a 0.5% NSR royalty.

(ii) Other contingent liabilities

There were no other material contingent liabilities at 31 December 2023 (2022: nil).

24. INTEREST IN SUBSIDIARIES

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

| | | Country of incorporation | 2023 | 2022 |
|---|----------------|--------------------------|------|------|
| ENTITIES | | | % | % |
| Parent company | | | | |
| West African Resources Limited | Australia | | | |
| Direct subsidiaries | | | | |
| WAF Finance Pty Ltd | Australia | 100 | 100 | |
| Wura Resources Pty Ltd SARL | Burkina Faso | 100 | 100 | |
| West African Resources Development SARL | Burkina Faso | 100 | 100 | |
| Channel Resources Ltd | Canada | 100 | 100 | |
| Volta II Ltd | Cayman Islands | 100 | 100 | |
| Indirect subsidiaries | | | | |
| Channel Resources (Cayman I) Ltd | Cayman Islands | 100 | 100 | |
| Channel Resources (Cayman II) Ltd | Cayman Islands | 100 | 100 | |
| Tanlouka SARL | Burkina Faso | 100 | 100 | |
| Société des Mines de Sanbrado SA ¹ | Burkina Faso | 90 | 90 | |
| Volta Resources (Cayman) Inc. | Cayman Islands | 100 | 100 | |
| Volta Properties SARL | Burkina Faso | 100 | 100 | |
| Kiaka Gold SARL | Burkina Faso | 100 | 100 | |
| Kiaka SA ¹ | Burkina Faso | 90 | 90 | |

¹ The remaining 10% is held by the government of Burkina Faso.

All intercompany balances and transactions, including unrealised gains and losses arising from intra-group transactions, have been eliminated in preparing the consolidated financial statements.

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

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | \$'000 | \$'000 |
| STATEMENT OF PROFIT OR LOSS | | |
| Revenue | 660,808 | 608,064 |
| Profit for the year: | | |
| Attributable to owners of the parent | 161,769 | 173,289 |
| Attributable to non-controlling interest | 17,974 | 19,254 |
| | 179,743 | 192,543 |
| STATEMENT OF FINANCIAL POSITION | | |
| Assets | | |
| Current assets | 284,472 | 225,100 |
| Non-current assets | 367,040 | 393,097 |
| | 651,512 | 618,197 |
| Liabilities | | |
| Current liabilities | 152,059 | 152,055 |
| Non-current liabilities | 51,723 | 64,521 |
| | 203,782 | 216,576 |
| Equity | | |
| Attributable to owners of the parent | 402,957 | 361,458 |
| Attributable to non-controlling interest | 44,773 | 40,162 |
| | 447,730 | 401,620 |
| STATEMENT OF CASH FLOWS | | |
| Net cash from operating activities | 219,196 | 188,951 |
| Net cash used in investing activities | (60,587) | (95,102) |
| Net cash used in financing activities | (174,130) | (123,484) |
| | (15,521) | (29,635) |

B. SUMMARISED FINANCIAL INFORMATION FOR KIAKA SA BEFORE INTRAGROUP ELIMINATIONS

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| STATEMENT OF PROFIT OR LOSS | | |
| Revenue | - | - |
| Profit for the year: | | |
| Attributable to owners of the parent | (456) | 85 |
| Attributable to non-controlling interest | (50) | 9 |
| | (506) | 94 |
| STATEMENT OF FINANCIAL POSITION | | |
| Assets | | |
| Current assets | 8,129 | 1,244 |
| Non-current assets | 277,330 | 98,818 |
| | 285,459 | 100,062 |
| Liabilities | | |
| Current liabilities | 12,144 | 1,824 |
| Non-current liabilities | 274,775 | 99,166 |
| | 286,919 | 100,990 |
| Equity | | |
| Attributable to owners of the parent | (1,314) | (836) |
| Attributable to non-controlling interest | (146) | (93) |
| | (1,460) | (929) |
| STATEMENT OF CASH FLOWS | | |
| Net cash from operating activities | - | - |
| Net cash used in investing activities | (167,371) | (12,332) |
| Net cash from financing activities | 173,856 | 13,525 |
| | 6,485 | 1,193 |

25. 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.

26. AUDITORS' REMUNERATION

| | 2023 | 2022 |
|--|----------------|---------------|
| | \$ | \$ |
| The auditor of West African Resources Limited is HLB Mann Judd | | |
| Audit or review of the financial statements | 100,000 | 73,000 |
| | 100,000 | 73,000 |
| Amounts received or due and receivable by non HLB Mann Judd audit firms | | |
| Audit or review of the Burkina Faso financial reports | 41,451 | 22,423 |
| | 41,451 | 22,423 |

27. DIRECTORS AND EXECUTIVE DISCLOSURES

A. DETAILS OF KEY MANAGEMENT PERSONNEL

| | | Appointed | Resigned |
|--------------------------------|--|-----------------------------|----------|
| Non-Executive Directors | | | |
| Rod Leonard | Non-Executive Director and Lead Independent Director | September 2019 ¹ | - |
| Nigel Spicer | Non-Executive Director | September 2019 | - |
| Stewart Findlay | Non-Executive Director | 29 May 2020 | - |
| Robin Romero | Non-Executive Director | 1 December 2022 | - |
| Executive Directors | | | |
| Richard Hyde | Executive Chairman and CEO | September 2006 | - |
| Lyndon Hopkins | Executive Director and COO | September 2019 ² | - |
| Libby Mounsey | Executive Director of Human Resources | 29 May 2020 ³ | - |
| Other Executive (KMP) | | | |
| Padraig O'Donoghue | Chief Financial Officer and Company Secretary | June 2018 ⁴ | - |

¹ Date appointed as Lead Independent Director was February 2021 (NED since September 2019).

² Date appointed as Executive Director (employed since January 2017).

³ Date appointed as Executive Director was December 2022 (NED from May 2020 to November 2022).

⁴ Date appointed as Company Secretary was May 2020 (CFO since June 2018).

B. COMPENSATION OF KEY MANAGEMENT PERSONNEL

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Short-term employee benefits | 3,441,381 | 2,586,119 |
| Post-employment benefits | 145,014 | 76,460 |
| Share-based payments | 2,469,330 | 2,114,296 |
| | 6,055,726 | 4,776,875 |

C. COMPENSATION BY CATEGORY OF KEY MANAGEMENT PERSONNEL FOR THE YEAR

Salaries were paid to the Chief Executive Officer, Chief Operating Officer, Executive Director of Human Resources, and Chief Financial Officer, details of which are included in the Remuneration Report in the Directors' Report.

D. LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans provided to Key Management Personnel during the year (2022: nil).

E. OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL

There were no other transactions and outstanding balances with Key Management Personnel for the year ended 31 December 2023 that are not already included in the Remuneration Report in the Directors' Report.

28. FINANCIAL INSTRUMENTS

| | 2023 | 2022 |
|--------------------------------------|------------------|-----------------|
| | \$'000 | \$'000 |
| Financial assets | | |
| Cash and cash equivalents (note 7) | 135,080 | 173,393 |
| Trade and other receivables (note 8) | 231,917 | 43,367 |
| | 366,997 | 216,760 |
| Financial liabilities | | |
| Trade and other payables (note 14) | (82,608) | (52,408) |
| Loans and borrowings (note 15) | (147,180) | (14,106) |
| Lease liabilities (note 16) | (1,970) | (8,074) |
| | (231,758) | (74,588) |

29. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and gold price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

A. MARKET RISK

(i) Interest rate risk

The Group's main interest rate risk arises from its cash balances and borrowings under the syndicated loan facility. Cash held at variable rates and the syndicated loan facility, which carries a variable interest rate, expose the Group to cash flow interest rate risk. Cash deposits at fixed rates and the supplier loan facility, which carries a fixed interest rate, expose the Group to fair value interest rate risk. During the year, the Group's cash deposits at variable rates were denominated in Australian Dollars ('AUD'), United States Dollars ('USD'), Euros ('EUR'), and Communauté Financière Africaine Francs ('CFA'), being the currency of Burkina Faso, while the syndicated loan facility and supplier loan facility were denominated in USD.

The tables below analyse the Group's financial assets and financial liabilities into maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

| Consolidated Fixed Interest Rate Maturing | | | | | | | |
|---|--|------------------------|---------------|---------------|--------------|----------------------|----------------|
| | Weighted Average Effective Interest Rate | Floating Interest Rate | Within Year | 1 to 5 Years | Over 5 Years | Non-interest bearing | Total |
| 31 December 2022 | % | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 1.09 | 121,950 | - | - | - | 51,443 | 173,393 |
| Trade and other receivables | 0.00 | - | - | - | - | 43,367 | 43,367 |
| Financial assets | 0.00 | - | - | - | - | - | - |
| Total financial assets | | 121,950 | - | - | - | 94,810 | 216,760 |
| Financial liabilities | | | | | | | |
| Trade and other payables | 0.00 | - | - | - | - | 52,408 | 52,408 |
| Loans and borrowings | 9.75 | - | 14,106 | - | - | - | 14,106 |
| Lease liabilities | 6.50 | - | 6,624 | 1,450 | - | - | 8,074 |
| Total financial liabilities | | - | 20,730 | 1,450 | - | 52,408 | 74,588 |
| 31 December 2023 | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 1.42 | 108,494 | - | - | - | 26,586 | 135,080 |
| Trade and other receivables | 0.00 | - | - | - | - | 231,917 | 231,917 |
| Financial assets | 0.00 | - | - | - | - | - | - |
| Total financial assets | | 108,494 | - | - | - | 258,503 | 366,997 |
| Financial liabilities | | | | | | | |
| Trade and other payables | 0.00 | - | - | - | - | 82,608 | 82,608 |
| Syndicated loan facility | 10.83 | 146,816 | - | - | - | - | 146,816 |
| PPA liability | 5.00 | - | - | 17,505 | - | - | 17,505 |
| Supplier facility | 9.75 | - | 14,102 | - | - | - | 14,102 |
| Lease liabilities | 6.50 | - | 1,970 | - | - | - | 1,970 |
| Total financial liabilities | | 146,816 | 16,072 | 17,505 | - | 82,608 | 263,001 |

(ii) Interest rate sensitivity

At 31 December, if variable interest rates for the full year were $\pm 0.5\%$ from the year-end rate with all other variables held constant, pre-tax profit for the year would have moved as per the table below.

| | 2023 | 2022 |
|-------|-------|-------|
| | \$ | \$ |
| +0.5% | 805 | 918 |
| -0.5% | (805) | (918) |

The sensitivity is calculated using the average cash position for the year ended 31 December 2023. The interest income in note 3 of \$2,281,034 (2022: \$2,006,698) reflects cash balances in the year that ranged between \$112,129,621 and \$167,457,963 (2022: \$88,040,733 and \$160,906,423).

(iii) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk primarily arising from costs denominated in CFA and USD, and loans and borrowings denominated in USD. The Group also has transactional currency exposures. Such exposures arise from purchases by an operating entity in currencies other than the functional currency. The Group does not have a policy to enter into forward contracts or other hedge derivatives.

At 31 December, the Group had the following exposure to CFA, EUR, and USD foreign currencies expressed in AUD equivalents:

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Financial assets | | |
| Cash and cash equivalents | 134,743 | 166,960 |
| Trade and other receivables | 78,227 | 40,152 |
| | 212,970 | 207,112 |
| Financial liabilities | | |
| Trade and other payables | 124,877 | 105,590 |
| Loans and borrowings | 178,199 | 13,879 |
| Lease liabilities | 1,935 | 7,937 |
| Tax liabilities | 36,883 | 34,734 |
| | 341,894 | 162,140 |

(iv) Exchange rate sensitivity

A 10 per cent strengthening or weakening of the AUD against the following currencies at 31 December would have increased/(decreased) net assets by the amounts shown in the below table. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 December 2022.

| | +10% | | -10% | |
|-----|----------|----------|--------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| USD | (2,077) | (244) | 2,539 | 298 |
| CFA | (75,893) | (56,351) | 92,759 | 68,873 |
| EUR | (1,095) | (4,067) | 1,338 | 4,971 |

(v) Price risk

The Group is exposed to commodity price risk on its finished goods and future gold production. This risk is estimated by management using forecasts of the quantity and cost of future gold production. While the Group's price risk could be partially managed using various hedging instruments, the Group did not have any open hedge instruments at 31 December 2023 (2022: nil).

B. CREDIT RISK

Credit risk arises mainly from

- the Group's cash and cash equivalents held with financial institutions (the banks the Group uses for cash deposits and transactions are limited to high credit quality financial institution);
- receivables related to gold sales (all gold sales have been carried out with MKS PAMP SA); and
- value added tax receivable from the government of Burkina Faso.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

C. LIQUIDITY RISK

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. Liquidity risk management involves maintaining sufficient cash on hand, gold bullion, and undrawn credit facilities to meet the operating requirements of the business. This is currently managed through cash and cash equivalents (\$135,080,000 as at 31 December 2023) and syndicated loan facility drawdown receivable (\$142,412,000 as at 31 December 2023) and prudent cash flow and financial commitment management. The tables below analyse the Group's financial assets and liabilities into maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Maturity analysis of financial assets and liabilities based on management's expectation.

| | Consolidated | | | | |
|------------------------------------|-----------------|-----------------|------------------|--------------|------------------|
| | <6 months | 6-12 months | 1-5 years | Over 5 years | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 31 December 2022 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 173,393 | - | - | - | 173,393 |
| Trade and other receivables | 43,367 | - | - | - | 43,367 |
| Total financial assets | 216,760 | - | - | - | 216,760 |
| Financial liabilities | | | | | |
| Trade and other payables | (52,408) | - | - | - | (52,408) |
| Loans and borrowings | (682) | (14,572) | - | - | (15,254) |
| Lease liabilities | (3,205) | (3,205) | (2,003) | - | (8,413) |
| Total financial liabilities | (56,295) | (17,777) | (2,003) | - | (76,075) |
| Net maturity | 160,465 | (17,777) | (2,003) | - | 140,685 |
| 31 December 2023 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 135,080 | - | - | - | 135,080 |
| Trade and other receivables | 231,917 | - | - | - | 231,917 |
| Total financial assets | 366,997 | - | - | - | 366,997 |
| Financial liabilities | | | | | |
| Trade and other payables | (82,608) | - | - | - | (82,608) |
| Loans and borrowings | (686) | (14,567) | (164,322) | - | (179,575) |
| Lease liabilities | (2,002) | - | - | - | (2,002) |
| Total financial liabilities | (85,296) | (14,567) | (164,322) | - | (264,185) |
| Net maturity | 281,701 | (14,567) | (164,322) | - | 102,812 |

30. SHARE-BASED PAYMENTS

A. RECOGNISED SHARE-BASED PAYMENTS

The expenses recognised for services received during the year are shown in the table below:

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Net share-based payments to Directors | 1,852 | 1,662 |
| Net share-based payments to employees | 745 | 794 |
| | 2,597 | 2,456 |

The share-based payment plans are described below.

B. TRANSACTIONS SETTLED USING SHARES

No transactions were settled in the current year using shares.

C. EMPLOYEE SHARE AND OPTION PLAN

Following shareholder approval at its May 2023 Annual General Meeting, the Company adopted an updated Employee Awards Plan ('Plan') that aligns with new provisions under Division 1A to Part 7.12 of the Corporations Act. The Plan is designed to provide incentives to employees and Directors and to recognise their contribution to the Company's success. Under the Plan, grants of options and/or performance rights are made to senior executives and other staff members who make an impact on the Group's performance. Grants are delivered in the form of options or performance rights with performance and/or service vesting conditions determined by the Board of Directors.

D. PERFORMANCE RIGHTS

Performance rights are granted under the Plan for nil consideration and are subject to vesting conditions as determined by the Board of Directors. Any performance rights that do not vest by their expiry date, or otherwise become unexercisable, will lapse. Upon vesting, these performance rights will be settled in ordinary fully paid shares of the Company.

(a) Summary of performance rights granted under the Incentive Plan

| | 2023 Number | 2023 WAEP* | 2022 Number | 2022 WAEP* |
|---|------------------|------------|-------------------|------------|
| Outstanding at the beginning of the year | 10,365,872 | - | 9,714,249 | - |
| Granted during the year | 3,053,028 | - | 1,751,894 | - |
| Exercised during the year | (3,089,386) | - | (748,320) | - |
| Lapsed/cancelled during the year | (3,151,488) | - | (351,951) | - |
| Outstanding at the end of the year | 7,178,026 | - | 10,365,872 | - |
| Exercisable at the end of the year | 2,566,556 | - | 1,793,022 | - |

*WAEP = weighted average exercise price

The performance rights outstanding at the end of the year had a weighted average remaining contractual life of 809 days (31 December 2022: 761 days).

(b) Fair value of performance rights granted

The fair value of the performance rights granted during the year was determined using the Black-Scholes, Monte Carlo Simulation and Binomial pricing methods.

| Number issued | Grant date | Vesting condition* | Original expiry period | Dividend yield | Expected volatility | Risk-free interest rate | Exercise price | Share price on grant date |
|---------------|------------|--------------------|------------------------|----------------|---------------------|-------------------------|----------------|---------------------------|
| 100,445 | 16 Feb 23 | A | 2 years | 0% | 52% | 2.75% | Nil | \$0.9400 |
| 322,732 | 7 Mar 23 | A & B | 3 years | 0% | 59% | 3.37% | Nil | \$0.9600 |
| 304,294 | 7 Mar 23 | A & B | 5 years | 0% | 58% | 3.44% | Nil | \$0.9600 |
| 250,294 | 7 Mar 23 | A & B | 4 years | 0% | 60% | 3.44% | Nil | \$0.9600 |
| 355,747 | 8 Mar 23 | A & B | 4 years | 0% | 60% | 3.44% | Nil | \$0.9600 |
| 552,593 | 12 May 23 | A & B | 3 years | 0% | 53% | 2.57% | Nil | \$0.9550 |
| 568,009 | 12 May 23 | A & B | 5 years | 0% | 58% | 3.05% | Nil | \$0.9550 |
| 568,008 | 12 May 23 | A & B | 4 years | 0% | 60% | 3.05% | Nil | \$0.9550 |
| 30,906 | 12 May 23 | A | 2 years | 0% | 49% | 2.75% | Nil | \$0.9550 |

* Notations refer to the following vesting conditions:

A = Performance Rights will vest upon service conditions being met.

B = Performance Rights will vest upon performance conditions being met, as outlined on page 48 in the Remuneration Report.

E. OPTIONS

Options are issued for nil consideration. The exercise price, vesting conditions and expiry date are determined by the Board of Directors. Any options that are not exercised by the expiry date, or otherwise become unexercisable, will lapse. Upon vesting and payment of the exercise price prior to the expiry date, options will be settled in ordinary fully paid shares of the Company.

(a) Summary of options granted by the Group

| | 2023 Number | 2023 WAEP* | 2022 Number | 2022 WAEP* |
|---|----------------|-----------------|----------------|-----------------|
| Outstanding at the beginning of the year | 789,472 | \$0.6061 | 2,013,300 | \$0.4991 |
| Granted during the year | - | - | - | - |
| Exercised during the year | (406,698) | \$0.6061 | (1,223,828) | \$0.4300 |
| Lapsed/cancelled during the year | - | - | - | - |
| Outstanding at the end of the year | 382,774 | \$0.6061 | 789,472 | \$0.6061 |
| Exercisable at the end of the year | 382,774 | \$0.6061 | 789,472 | \$0.6061 |

*WAEP = weighted average exercise price

The options outstanding at the end of the year had a weighted average remaining contractual life of 113 days (31 December 2022: 503 days).

(b) Fair value of options granted

There were no options granted during the year (2022: Nil).

F. OPTIONS AND PERFORMANCE RIGHTS BALANCES

The outstanding balance of performance rights as at 31 December 2023 is presented in the following table:

| Grant date | Expiry date | Number of performance rights | | | | |
|--------------------------|-------------|------------------------------|--------------------|-------------|-----------|-----------|
| | | Granted | Lapsed / Cancelled | Exercised | On issue | Vested |
| 9 Jan 20 | 20 Jan 23 | 315,866 | - | (315,866) | - | - |
| 9 Jan 20 | 20 Jan 25 | 131,578 | - | (131,578) | - | - |
| 29 May 20 | 11 Jun 23 | 351,759 | - | (351,759) | - | - |
| 29 May 20 | 11 Jun 25 | 657,894 | - | (657,894) | - | - |
| 27 Nov 20 | 8 Dec 24 | 2,820,000 | (1,760,000) | (225,000) | 835,000 | 835,000 |
| 17 Dec 20 | 17 Dec 24 | 2,500,000 | (1,250,000) | - | 1,250,000 | 1,250,000 |
| 21 Jan 21 | 22 Jan 24 | 82,942 | - | (82,942) | - | - |
| 4 Apr 21 | 9 Apr 24 | 174,478 | - | (174,478) | - | - |
| 4 Apr 21 | 9 Apr 26 | 69,306 | - | (69,306) | - | - |
| 4 Apr 21 | 4 Apr 25 | 69,306 | - | - | 69,306 | 69,306 |
| 17 May 21 | 20 May 24 | 626,496 | (37,128) | (589,368) | - | - |
| 17 May 21 | 20 May 26 | 402,103 | - | (402,103) | - | - |
| 17 May 21 | 20 May 25 | 402,102 | - | - | 402,102 | 402,102 |
| 3 Jun 21 | 11 Jun 24 | 10,148 | - | - | 10,148 | 10,148 |
| 4 Feb 22 | 10 Feb 24 | 89,092 | - | (89,092) | - | - |
| 30 Mar 22 | 6 Apr 25 | 279,692 | (56,791) | - | 222,901 | - |
| 30 Mar 22 | 6 Apr 27 | 68,322 | - | - | 68,322 | - |
| 30 Mar 22 | 6 Apr 26 | 68,322 | - | - | 68,322 | - |
| 4 Apr 22 | 6 Apr 25 | 153,303 | (15,330) | - | 137,973 | - |
| 13 May 22 | 26 May 25 | 128,105 | (12,810) | - | 115,295 | - |
| 13 May 22 | 26 May 27 | 149,456 | - | - | 149,456 | - |
| 13 May 22 | 26 May 26 | 149,456 | - | - | 149,456 | - |
| 13 May 22 | 27 May 25 | 194,293 | (19,429) | - | 174,864 | - |
| 13 May 22 | 27 May 27 | 235,927 | - | - | 235,927 | - |
| 13 May 22 | 27 May 26 | 235,926 | - | - | 235,926 | - |
| 15 Feb 23 | 16 Feb 25 | 100,445 | - | - | 100,445 | - |
| 7 Mar 23 | 15 Mar 26 | 322,732 | - | - | 322,732 | - |
| 7 Mar 23 | 15 Mar 28 | 304,294 | - | - | 304,294 | - |
| 7 Mar 23 | 15 Mar 27 | 250,294 | - | - | 250,294 | - |
| 9 Mar 23 | 15 Mar 27 | 355,747 | - | - | 355,747 | - |
| 12 May 23 | 12 May 26 | 552,593 | - | - | 552,593 | - |
| 12 May 23 | 12 May 28 | 568,009 | - | - | 568,009 | - |
| 12 May 23 | 12 May 27 | 568,008 | - | - | 568,008 | - |
| 12 May 23 | 12 May 25 | 30,906 | - | - | 30,906 | - |
| Total performance rights | | 13,418,900 | (3,151,488) | (3,089,386) | 7,178,026 | 2,566,556 |

All performance rights have a nil exercise price.

The outstanding balance of options as at 31 December 2023 is presented in the following table:

| Grant date | Expiry date | Exercise price | Number of options | | | | |
|----------------------|-------------|----------------|-------------------|--------------------|------------------|----------------|----------------|
| | | | Granted | Lapsed / Cancelled | Exercised | On issue | Vested |
| 20 Jan 20 | 20 Jan 24 | \$0.6061 | 131,578 | - | - | 131,578 | 131,578 |
| 11 Jun 20 | 11 Jun 24 | \$0.6061 | 657,894 | - | (406,698) | 251,196 | 251,196 |
| Total options | | | 789,472 | - | (406,698) | 382,774 | 382,774 |

31. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| STATEMENT OF FINANCIAL POSITION | | |
| Current assets | 12,979 | 49,976 |
| Non-current assets | 456,886 | 308,078 |
| Total assets | 469,865 | 358,054 |
| Current liabilities | 3,058 | 2,659 |
| Non-current liabilities | 196 | 145 |
| Total liabilities | 3,254 | 2,804 |
| Net assets | 466,611 | 355,250 |
| Equity | | |
| Issued capital | 335,856 | 335,630 |
| Reserves | 17,836 | 15,097 |
| Accumulated profit | 112,919 | 4,523 |
| Total equity | 466,611 | 355,250 |
| Profit before tax | 108,396 | 58,382 |
| Income tax expense | - | - |
| Profit after tax | 108,396 | 58,382 |

Contingent liabilities of the parent entity

As at 31 December 2023, the parent entity had contingent liabilities as guarantor under the syndicated debt facility and PPA liability detailed in note 15A and under each of the royalty agreements detailed in note 23(c)(i).

Commitments of the parent entity for the acquisition of property, plant and equipment

As at December 2023, the parent entity had nil contractual commitments for the acquisition of property, plant and equipment.

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Directors' Declaration

In the opinion of the Directors:

- a. The financial statements, notes and the additional disclosures included in the Directors' Report, designated as audited, of the Group are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001.
- 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.
- c. The financial statements also comply with International Financial Reporting Standards as disclosed in note 1A.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 31 December 2023.

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



RICHARD HYDE

Executive Chairman & CEO

13 March 2024

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Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of West African Resources Limited for the year ended 31 December 2023, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
13 March 2024

M R Ohm
Partner

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Members of West African Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of West African Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, 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 year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| Revenue recognition Note 3 to the financial report | |
| <p>The Group generates revenue predominantly from metal sales. The Group recognised sales revenue of \$658.8 million for the year (2022: \$606.1 million).</p> <p>Revenue recognition is considered to be a key audit matter given the significance of revenue to the Group's results as well as the fraud risk around revenue recognition including:</p> <ul style="list-style-type: none"> - An overstatement of revenues through premature revenue recognition or recording of fictitious revenues. - Revenue not being recognised when control is transferred to the customer, resulting in it not being recognised in the correct accounting period. <p>Revenue is recognised when control is transferred to the buyer and the amount of revenue can be reliably determined. This occurs for the Group when the refining process is complete, and ownership is transferred from the Group's metal account.</p> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - Understanding the Group's processes for revenue recognition and controls in place around gold sales; - Performing substantive tests of detail of all gold sales transactions during the year to supporting documentation and receipt of cash; - Assessing the Group's policies for recognition of revenue against the requirements of the accounting standards and ensuring these are applied correctly and adequately disclosed in the financial statements; - Sales cut-off procedures focusing on sales around balance date, testing a sample of transactions to underlying documentation and assessing the period in which they were recognised; and - Matching gold produced against gold sold for the year. |
| Recoverability of mine development assets and mines under construction Note 10 to the financial report | |
| <p>As at 31 December 2023 the Group had mine development assets with a carrying value of \$125.7 million and mines under construction of \$320.3 million in relation to the Sanbrado and Kiaka cash-generating units.</p> <p>Assessing the recoverability and carrying value of these balances was considered to be a key audit matter due to the judgements and estimations involved.</p> <p>These estimations and judgements relate to two main areas, being impairment indicators and, in the case of Sanbrado, the amortisation and depreciation associated with this asset.</p> <p>Impairment indicators involve assessing future forecasts and judgement around recoverability of the asset.</p> | <p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We obtained an understanding of the processes and controls in place around management's assessment of the recoverability of mine development assets and mines under construction; - Testing impairment indicators to determine whether any such indicators exist at balance date; - Reviewing future plans for the cash-generating units and ensuring that such plans support the recoverability of the related assets; - Ensuring items capitalised during the year were appropriate to capitalise; |



Amortisation and depreciation involves using estimated reserves and resources in a units of production methodology.

- Assessing the application of reserves and resources in the amortisation models by comparing them to the latest published statement and underlying mining records;
- Testing the mathematical accuracy of the amortisation models; and
- Assessing the adequacy of the Group's disclosures within the financial statements.

Recoverability of exploration and evaluation assets

Note 12 to the financial statements

As at 31 December 2023 the Group had exploration and evaluation assets with a carrying value of \$61.9 million.

In accordance with its accounting policy, the Group capitalises costs for areas of interest related to a known mineral resource capable of supporting a mining operation for which the Group has rights to tenure and where activities have reached a stage which permits a reasonable assessment of the existence of economically recoverable ore reserves.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the most significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of AASB 6.

In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

Our audit procedures included but were not limited to the following:

- We obtained an understanding of the key processes and controls associated with management's review of the carrying values of each area of interest;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the year and discussed with management the nature of planned ongoing activities;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and
- We assessed the adequacy of disclosures made in the financial report.

Loans and borrowings

Note 15 to the financial statements

As at 31 December 2023 the Group had loans and borrowings of \$147.2 million consisting of a \$14.1 million supplier loan facility and a \$133.1 million (net of transaction costs) borrowing and production payment agreement liability.

The accounting for loans and borrowings was considered to be a key audit matter due to its materiality, the complexity of accounting in addition to the judgements involved in the timing of initial recognition.

Our audit procedures included but were not limited to the following:

- We obtained an understanding of the key processes and controls associated with management's accounting for loans and borrowings;
- We reviewed the facility documentation to obtain an understanding of the terms and conditions;
- We reviewed the timing of initial recognition of the first draw down under the facility and



considered whether it was appropriate to recognise a liability at balance date given funds were in transit at that date;

- We obtained a lender confirmation as at 31 December 2023;
- We obtained the advice of an independent expert to support our assessment of management's accounting for the facilities and assessed the capabilities and expertise of that expert;
- We ensured that transaction costs had been correctly accounted for and offset against the liability;
- We reviewed the treatment of the production payment agreement liability at initial establishment of the loan; and
- We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit



matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of West African Resources Limited for the year ended 31 December 2023 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2024

A handwritten signature in blue ink, appearing to read 'M R Ohm'.

M R Ohm
Partner

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ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 February 2024.

DISTRIBUTION OF SHARES

| DISTRIBUTION OF SHARES | Number of holders | Securities held |
|------------------------|-------------------|----------------------|
| 1 – 1,000 | 900 | 514,055 |
| 1,001 – 5,000 | 1,684 | 4,584,637 |
| 5,001 – 10,000 | 845 | 6,644,538 |
| 10,001 – 100,000 | 1,401 | 46,692,255 |
| 100,001 – and over | 279 | 968,138,709 |
| Total | 5,109 | 1,026,574,194 |

The number of shareholdings held in less than marketable parcels is 592.

SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

| Shareholder Name | No. of shares held | % Holding |
|--------------------------------|--------------------|---------------|
| 1 VANECK GLOBAL | 106,183,235 | 10.34% |
| 2 FIL INVESTMENT INTERNATIONAL | 65,955,712 | 6.42% |
| 3 EQUINOX PARTNERS | 56,736,638 | 5.53% |
| 4 L1 CAPITAL | 52,998,974 | 5.16% |
| Total | 281,874,559 | 27.46% |

TWENTY LARGEST SHAREHOLDERS

| Shareholder Name | No. of shares held | % Holding |
|--|--------------------|---------------|
| 1 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 305,460,902 | 29.76% |
| 2 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 179,587,711 | 17.49% |
| 3 CITICORP NOMINEES PTY LIMITED | 88,679,983 | 8.64% |
| 4 BC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 52,622,652 | 5.13% |
| 5 BNP PARIBAS NOMS PTY LTD | 45,557,140 | 4.44% |
| 6 NATIONAL NOMINEES LIMITED | 32,258,157 | 3.14% |
| 7 MR AND MRS ANTHONY POLI | 29,400,000 | 2.86% |
| 8 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C> | 28,326,155 | 2.76% |
| 9 B2GOLD CORP | 22,190,508 | 2.16% |
| 10 BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 21,716,794 | 2.12% |
| 11 MR RICHARD HYDE | 17,864,297 | 1.74% |
| 12 STICHTING LICHFIELD US\ C <A/C 051 52041 9> | 13,250,000 | 1.29% |
| 13 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 11,405,289 | 1.11% |
| 14 BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP A/C> | 5,138,395 | 0.50% |
| 15 GAMS-MINING F&I LTD | 4,931,224 | 0.48% |
| 16 MR GRAEME JOHN HAINES + MRS SHARNI GAY HAINES + MR MALCOLM ARNOLD HAINES <G & S HAINES SF A/C> | 4,515,882 | 0.44% |
| 17 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C> | 4,279,418 | 0.42% |
| 18 MR LYNDON HOPKINS | 3,642,578 | 0.35% |
| 19 BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C> | 3,433,823 | 0.33% |
| 20 CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C> | 2,711,854 | 0.26% |
| Total | 876,972,762 | 85.43% |

STOCK EXCHANGE LISTING

Listing has been granted for the ordinary shares (ASX code: WAF) of the Company on the Australian Securities Exchange Limited ('ASX') with 1,026,574,194 ordinary shares on the Company's register.

VOTING RIGHTS

All shares carry one vote per unit without restriction.

UNLISTED OPTIONS

7,088,979 options and performance rights are held by 16 option holders.

Neither options nor performance rights carry a right to vote.

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Summary of Tenements

At 27 February 2024

| Tenement Name | Registered holder | % Held | Tenement Number | Grant date | Expiry date | Tenement type | Area (km ²) | Geographical location |
|---------------|----------------------------------|--------|--|------------|-------------|---------------|-------------------------|-------------------------------------|
| Manessé II* | Tanlouka SARL | 100% | No 2020-254/MMC/SG/DGCM | 13 Nov 20 | 12 Nov 23 | EL | 86.87 | Ganzourgou Province |
| Bollé* | Wura Resources Pty Ltd SARL | 100% | No 2022-116/MMC/SG/DGCM | 22 Nov 20 | 21 Nov 23 | EL | 205.36 | Ganzourgou Province |
| Nakomgo | Kiaka Gold SARL | 100% | No 2023-478/MEMC/SG/DGCM | 24 Oct 23 | 23 Oct 26 | EL | 185.153 | Bazega and Ganzourgou Provinces |
| Mankarga V3 | Wura Resources Pty Ltd SARL | 100% | No 2023-347/MEMC/SG/DGCM | 16 Jul 23 | 15 Jul 26 | EL | 52.595 | Ganzourgou Province |
| Woura | Steven Lewis Pingwende Kinda | 100% | No 2023-0530/MEMC/SG/DGCM | 29 May 22 | 28 May 25 | EL | 237.81 | Zoundweogo and Boulgou Provinces |
| Bola* | Wend-Dinmadegre Narcisse Kabore | 100% | No 2019-55/MMC/SG/DGCM | 15 May 19 | 14 May 22 | EL | 202.027 | Zoundweogo and Boulgou Provinces |
| Koudre II | Kalilou Ghislain Diasso | 100% | No 2023-348/MEMC/SG/DGCM | 4 Nov 22 | 3 Nov 25 | EL | 91.046 | Zoundweogo Province |
| Sanbrado** | Société des Mines de Sanbrado SA | 90% | Décret No 2017 – 104/PRES/PM/MEMC/MINEFID/MEEVCC Arrêté No 2018-139/MMC/SG/DGMG | 13 Mar 17 | 12 Mar 24 | ML | 25.89 | Ganzourgou Province |
| Kiaka | Kiaka SA | 90% | Décret No 2016 – 590/PRES/PM/MEMC/MINEFID/MEEVCC | 9 Jul 16 | 7 Jul 36 | ML | 54.02 | Zoundweogo Province |
| Sana | Kiaka Gold SARL | 100% | No 2023-477/MEMC/SG/DGCM | 24 Oct 23 | 23 Oct 26 | EL | 109.757 | Zoundweogo and Ganzourgou Provinces |
| Kiaka II | Kiaka Gold SARL | 100% | No 2023-471/MEMC/SG/DGCM | 24 Oct 23 | 23 Oct 26 | EL | 134.739 | Zoundweogo and Boulgou Provinces |

* Permit renewal applications lodged and arrêté pending.

** Permit renewal application approved and décret pending.

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