

West African Resources to Acquire 1.1Moz Toega Gold Deposit from B2Gold for US\$45 million

Gold mining company West African Resources Limited ('West African' or the 'Company', ASX: WAF) is pleased to announce it has entered into a definitive agreement to acquire 100% of the Toega gold deposit (Toega) from B2Gold Corp (B2Gold) and their partner, GAMS-Mining F&I Ltd (GAMS). Toega is located within 14km of the Company's flagship Sanbrado Gold Project (Sanbrado), Burkina Faso.

Highlights

- WAF to acquire Toega from B2Gold and GAMS for US\$45 million in staged payments.
- Located within trucking distance (14km) of Sanbrado.
- Existing Inferred Resource is 1.1Moz gold at 2.1 g/t Au, with excellent exploration upside.
- Toega is expected to increase the Sanbrado production profile and mine life with a relatively low capital expenditure.
- Planning work to commence immediately, field work to commence later this year following the wet season

West African Executive Chairman Richard Hyde commented:

"We are excited to have reached this agreement to acquire the neighbouring Toega deposit from B2Gold and GAMS. Toega is expected to increase Sanbrado's production profile and mine life. We intend to kick off drilling and feasibility studies in the near future, with the aim of bringing Toega ore into the Sanbrado mine plan within three years.

Toega Acquisition Key Terms

The Toega deposit is situated within the Nakomgo Exploration Permit that is owned 90% by B2Gold and 10% by GAMS. WAF to acquire 100% of the Nakomgo Exploration Permit for consideration of US\$45 million, comprised of the following staged payments:

1. US\$10m initial cash payment (to be paid from existing cash reserves).
2. US\$10m in cash or shares to be paid following completion of a feasibility study prior to the second anniversary of signing the agreement, triggering ownership transfer of the Nakomgo Exploration Permit to WAF or its subsidiary.
3. US\$25m in production payments based on a 3% net smelter returns ("NSR") royalty on production from the Nakomgo Exploration Permit area.

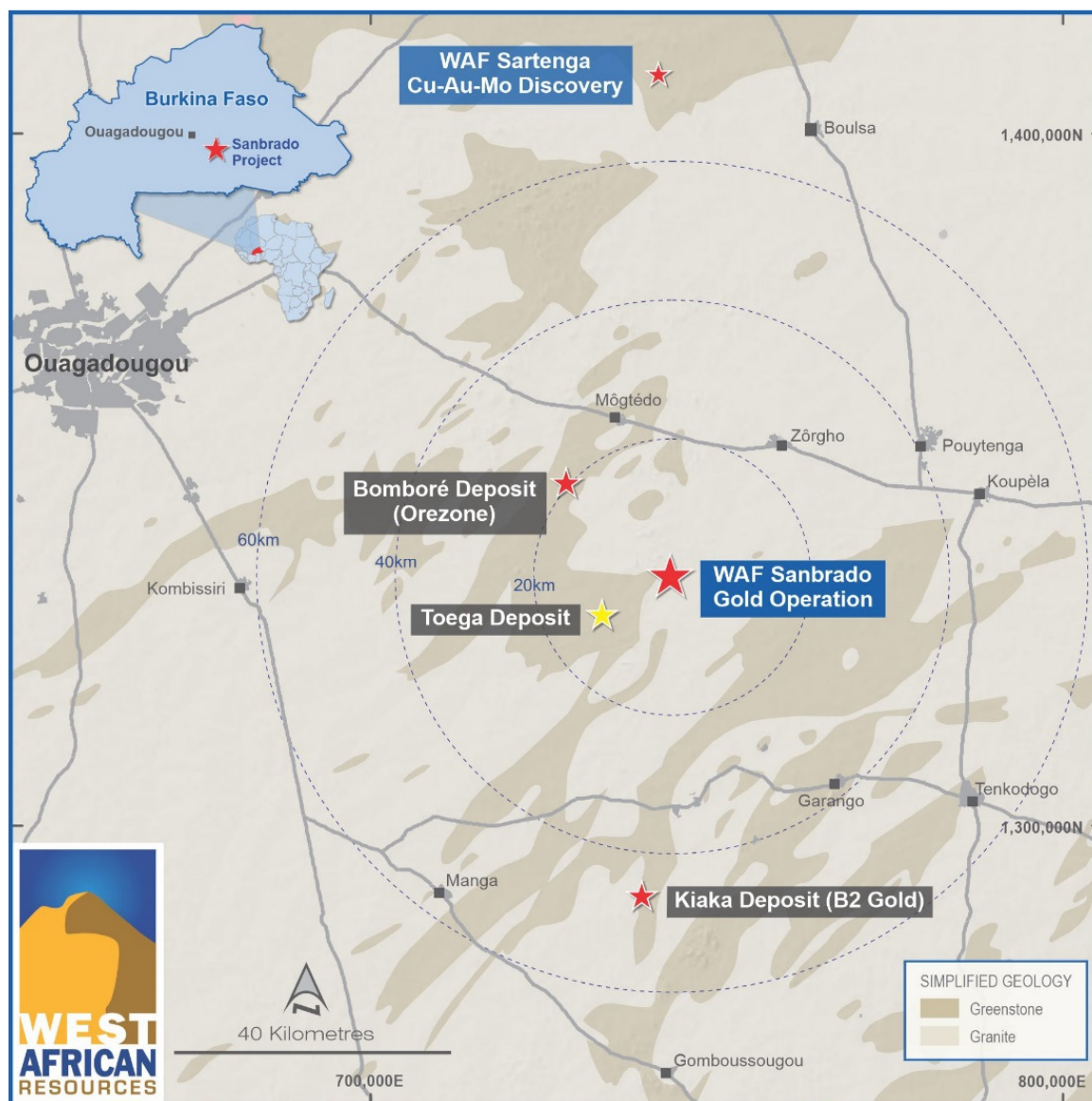
B2Gold and GAMS will retain a 0.5% NSR royalty with payments to commence after the US\$25m production payments noted above. The 0.5% NSR royalty is capped at total of 1.5moz gold produced from the Nakomgo Exploration Permit area. The Burkina Faso government is entitled to a 10% free carried interest in the Toega deposit on grant of a mining licence as set out in the 2015 Mining Code. Ordinary shares in relation to point 2 above would be issued under the placement capacity

permitted following listing rule 7.1 with the amount to be issued calculated on the 5-day trading VWAP prior to the completion date.

Property Description

Toega is located in south-central Burkina Faso approximately 78km southeast of the capital Ouagadougou and approximately 14 km west southwest of WAF's Sanbrado Gold Operations (Figure 1). The project is accessed via the RN4 Ouagadougou-Koupela sealed road, and then by all-weather dirt road to site.

Figure 1 Project Location and Simplified Geology



Geology

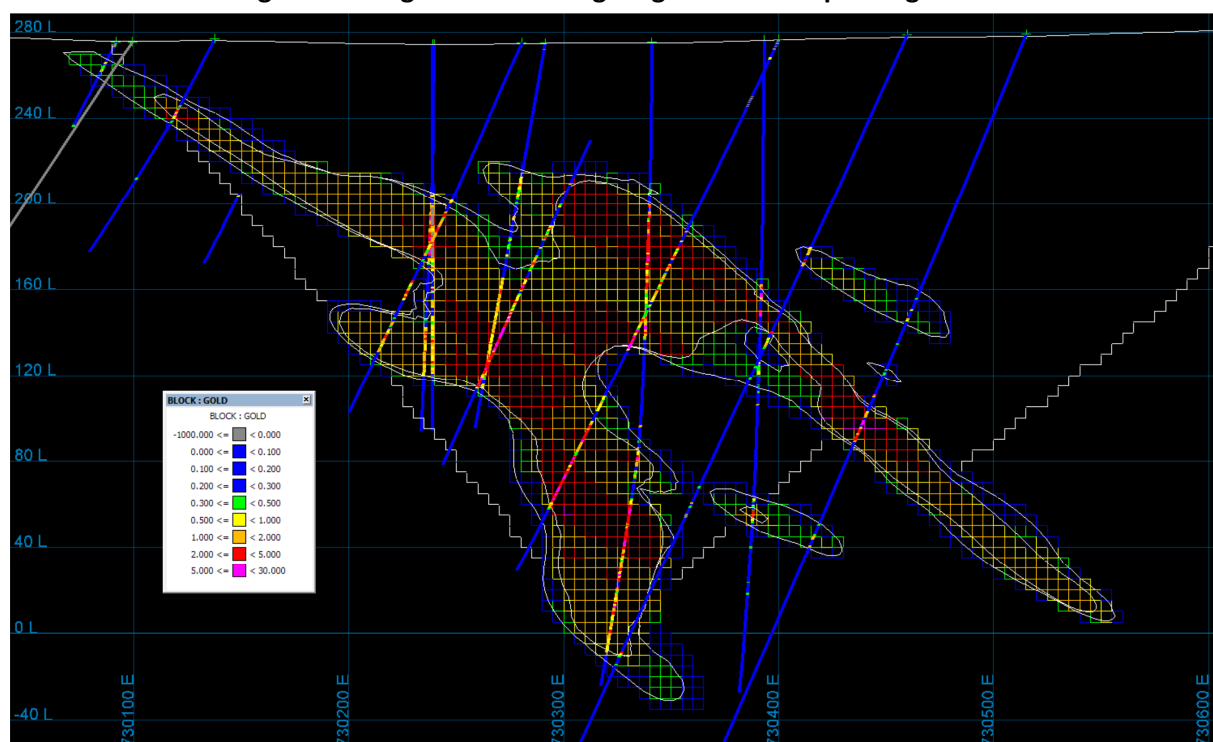
The Toega deposit is hosted in the Paleoproterozoic-aged Birimian Supergroup (2150 – 2100 Ma) and is located close to the intersection of the northeast striking Tenkodogo greenstone belt and the regionally significant, north-northeasterly trending Markoye Fault corridor. The area is underlain by metasedimentary rocks which have been metamorphosed to greenschist to lower amphibolite facies regional metamorphism.

Alteration mineralogy comprises potassium feldspar, quartz and white mica. Pyrrhotite, pyrite and arsenopyrite are the dominant sulphide mineral phases and sulphide content is typically less than 5% in mineralized zones. Locally, visible gold is observed in association with quartz veins and rarely, as grains in the metasedimentary rocks.

Mineral Resources

On 22 February 2018, B2Gold announced an initial non-JORC Inferred Mineral Resource on the Toega deposit of 17,530,000 tonnes at 2.01 g/t Au, containing 1,130,000 gold ounces. The Toega mineralized zone extends 1,200 m along strike, is up to 430 m wide and up to 400 m deep, and remains open along strike and to the north–northeast, and down dip and potentially to the west–northwest. A typical cross-section of mineralisation is shown below in Figure 2.

Figure 2: Toega Block model gold grades vs composite grades



Toega's Mineral Resources have been classified using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves, being Mineral Resources that are not Mineral Reserves and do not yet have demonstrated economic viability. All tonnage, grade and contained metal content estimates have been rounded; rounding may result in apparent summation differences between tonnes, grade, and contained metal content.

Toega's Mineral Resources are amenable to open pit mining methods and are reported within a pit shell using a gold price of US\$1,400/oz, metallurgical recovery of 86.2%, and average operating cost estimates of US\$2.50/t mined (mining), US\$10.00/t ore (processing) and US\$2.10/t ore (general and administrative). The Mineral Resources are reported at a cut-off grade of 0.6 g/t Au.

A total of 165 drill holes (37,776 metres of drilling) were used in the estimate. The Inferred Mineral Resources are supported by a nominal drill hole spacing of 100 by 100 metres; however, 65% of the reported resource has been drilled to a 50 by 50 metre, or tighter, drill hole spacing.

The estimates of Mineral Resources for the Toega deposit are qualifying foreign estimates under the ASX Listing Rules and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the qualifying foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain, that following evaluation and further exploration, the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC code. See notes below for further information including with respect to disclosures required under Listing Rule 5.12.

Metallurgy

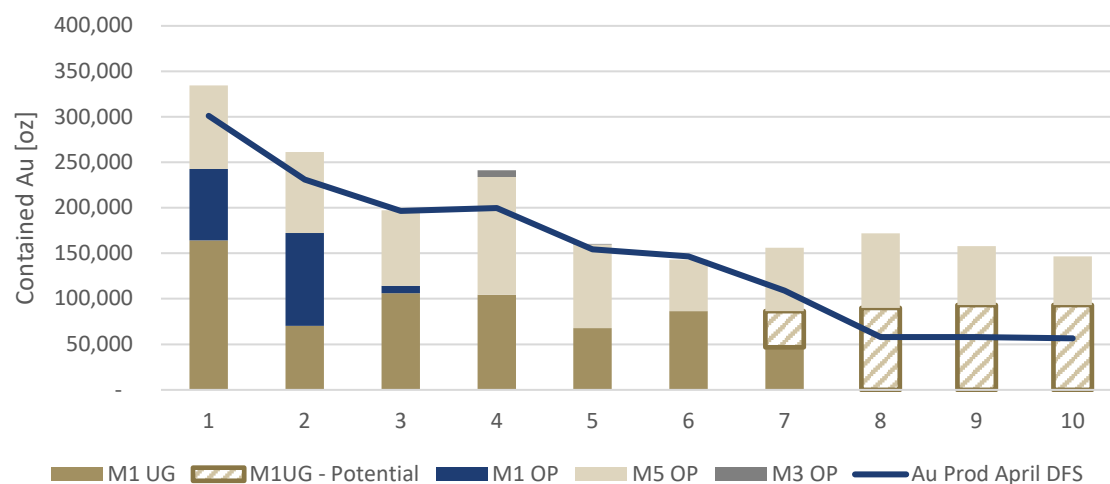
B2Gold conducted preliminary metallurgical test work at SGS Minerals Services in Lakefield, Ontario in 2016 and 2017. Test work was carried out on two master composites and 12 variability samples. Bench-scale gravity tests used a combination of a Knelson concentrator and Mozley mineral separator, followed by whole ore cyanidation of the gravity tails to evaluate the master and variability composites. The test work produced metallurgical recoveries ranging from 77.1% to 93.2% at a nominal grind size of 106 microns, with an average recovery of 86.2%. Based on a review of the available metallurgical test work data Toega mineralisation appears to be suited to conventional crushing, milling and CIL processing and amenable to treatment at WAF's Sanbrado Gold Operation.

Next Steps

WAF is planning a comprehensive feasibility study and permitting work program aimed at adding the Toega material into the Sanbrado mill feed within three years. It is anticipated that Toega material may displace some lower grade ore from the M5 open-pit after the higher grade in the early years of the operation, thereby potentially increasing the Sanbrado production profile and extending the mine life past 10 years (Figure 3). Infill drilling at Toega is expected to commence in late Q3 2020, wet season and COVID-19 restrictions permitting, with a range of other technical activities being conducted in parallel or commencing over the next 20 months. A summary of the work program is shown below in Table 1.

Table 1: Toega Feasibility Study Work Program								
Activity	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Resource Definition Drilling								
Environment and Social Studies								
Metallurgical Test Work								
Mineral Resource Update								
Feasibility Study - Second Payment								
Permitting								

Figure 3: Sanbrado Ore Mined by Source and Graph of Annual Production (excluding Toega)
from WAF's 2019 DFS (ASX: 16 April 2019)



Taurus Supporting Transaction

WAF welcomes the support of its financier Taurus in relation to this transaction. In consideration of their support WAF has issued Taurus 250,000 4-year options with a strike price of \$0.7346 (20% premium to the 5-day VWAP up until close of trade 28/4/2020).

Foreign Estimates – clarifying statements as required by ASX Listing Rule 5.12

The estimates of Mineral Resources for Toega deposit are qualifying foreign estimates under the ASX Listing Rules reported in accordance with the National Instrument 43-101 (NI 43-101) by B2Gold and filed on SEDAR (www.sedar.com) on 22 February 2018.

The categories of Mineral Resource classification used are in accordance with NI 43-101 and the CIM Standards. NI 43-101 is a 'qualifying foreign estimate' (Chapter 19, ASX Listing Rules) and has similar categories of resource classification as the JORC Code (Appendix 5A, ASX Listing Rules).

West African considers these estimates to be both material and relevant to West African given that Toega has the potential to be a material mining project to West African.

In accordance with NI 43-101 and CIM Standards, Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of Mineral Resources will be converted to Mineral Reserves. Additional drilling will be required to verify geological and mineralisation continuity, and there is no certainty that all of the Inferred Resources will be converted to Measured and Indicated Resources. Quantity and grades are estimates and are rounded to reflect that the estimates are an approximation.

West African has experience in developing similar deposits to Toega. West African's key technical and operational personnel conducted a site visit as part of the due diligence process. B2 Gold provided information on Mineral Resources and Metallurgical Test Work for West African to review.

West African believes that the information provided is the most recent publicly available information on Toega. Following completion of Stage One of the transaction it is West African's intention to conduct a work program, including additional exploration and resource definition drilling, resource optimisation for a potential open pit mining scenarios and feasibility studies to define the high value optimum plan for potential conversion of the Mineral Resource to Ore Reserves. This is anticipated to be completed within two years and will be funded using internal cash reserves.

Cautionary statement

The estimates of Mineral Resources for the Toega deposit are qualifying foreign estimates under the ASX Listing Rules and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the qualifying foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain, that following evaluation and further exploration, the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC code.

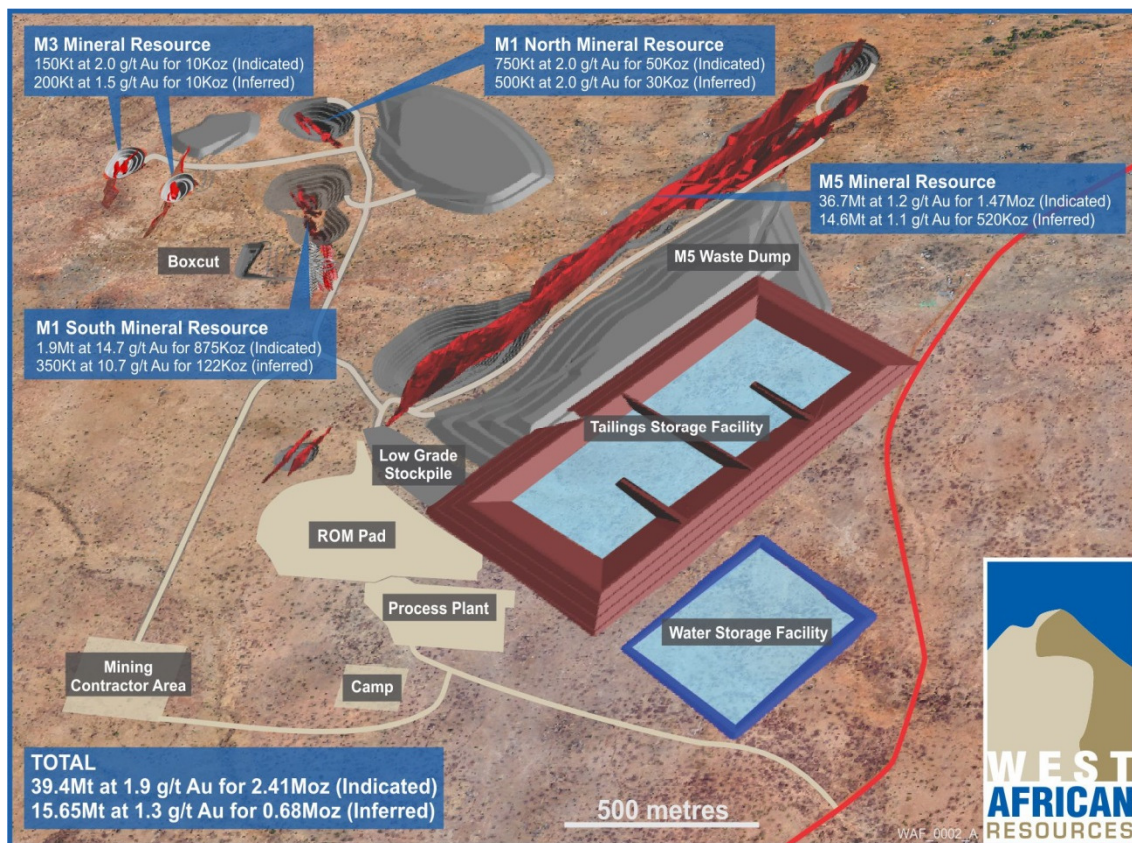
Competent Persons Statement

In accordance with ASX listing rule 5.12.2 to 5.12.7, Mr Richard Hyde confirms the information in this market announcement that relates to the Mineral Resources for the Toega NI 43-101 qualifying foreign estimate is an accurate representation of the available data and studies based on data provided to West African by B2 Gold. Mr Hyde a director and employee of the Company and is a Member of The Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Hyde has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Hyde has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

About West African Resources

West African Resources Limited (ASX: WAF) announced the results of its updated Feasibility Study for the Sanbrado Gold Project in Burkina Faso in an announcement titled "West African to produce 300Koz gold in Year 1 at Sanbrado" on 16 April 2019. The study envisages an initial 10-year mine life, including 6.5 years of underground mining, with Probable Reserves to 1.7 million ounces (21.6Mt at 2.4g/t gold). The project will have average annual production over the first 5 years of mine life of 217,000 ounces gold and a 14-month post-tax pay back on US\$186 million pre-production capital costs. Project economics are robust, with AISC of <US\$600/oz over first 5 years and US\$650 over life of mine. Year 1 production is anticipated to be over 300,000oz gold from underground and open pit ores, at All-In Sustaining Costs of less than US\$500/oz. West African poured first gold at Sanbrado on the 19th of March 2020, ahead of schedule and under budget.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement titled "West African to produce 300Koz gold in Year 1 at Sanbrado" on 16 April 2019 and that all material assumptions and technical parameters underpinning the estimates of forecast financial information derived from the production targets, and the resource estimate, as outlined in that announcement, continue to apply and have not materially changed.



Forward Looking Information

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

In the case of West African Resources Ltd, these facts include their anticipated operations in future periods, the expected enhancement to project economics following optimisation studies, planned exploration and development of its properties including project development commencing in Q4 2018 with an 18 month construction schedule, and plans related to its business and other matters that may occur in the future, including the availability of future funding for the development of the project. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource and ore reserve estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralisation that will be encountered if a mineral property is developed.

As well, all of the results of the feasibility study constitute forward-looking information, including estimates of internal rates of return, net present value, future production, estimates of cash cost, assumed long term price for gold, proposed mining plans and methods, mine life estimates, cashflow forecasts, metal recoveries, and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Sanbrado Gold Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others:

- i. the adequacy of infrastructure;
- ii. unforeseen changes in geological characteristics;
- iii. metallurgical characteristics of the mineralization;
- iv. the price of gold;
- v. the availability of equipment and facilities necessary to complete development and commence operations;
- vi. the cost of consumables and mining and processing equipment;

- vii. unforeseen technological and engineering problems;
- viii. accidents or acts of sabotage or terrorism;
- ix. currency fluctuations;
- x. changes in laws or regulations;
- xi. the availability and productivity of skilled labour;
- xii. the regulation of the mining industry by various governmental agencies; and
- xiii. political factors.

This release also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the project, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on:

- i. fluctuations in gold price;
- ii. results of drilling;
- iii. metallurgical testing and other studies;
- iv. proposed mining operations, including dilution;
- v. the evaluation of mine plans subsequent to the date of any estimates; and
- vi. the possible failure to receive, or changes in, required permits, approvals and licenses.

Mineral Reserves are also disclosed in this release. Mineral Reserves are those portions of Mineral Resources that have demonstrated economic viability after taking into account all mining factors. Mineral Reserves may, in the future, cease to be a Mineral Reserve if economic viability can no longer be demonstrated because of, among other things, adverse changes in commodity prices, changes in law or regulation or changes to mine plans. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding; gold price fluctuations; recent market events and conditions; risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licenses and permits; risks related to their business being subject to environmental laws and regulations; risks related to their mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to their directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect West African's forward-looking information. Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information.

West African's forward-looking information is based on the reasonable beliefs, expectations and opinions of their respective management on the date the statements are made and West African does not assume any obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to West African, please refer to West African's website www.westafricanresources.com, financial statements and other filings all of which are filed on the ASX.