



# Sandbox Royalties and B2Gold Partner to Create Versamet Royalties

Sandbox Royalties Corp. ("Sandbox") has entered into a definitive purchase and sale agreement (the "Agreement") with B2Gold Corp. ("B2Gold"), pursuant to which it has agreed to acquire a portfolio of 10 royalties (the "B2Gold Royalty Portfolio") from B2Gold in exchange for approximately US\$90 million in share consideration (the "Transaction").<sup>(1)</sup> In connection with the Transaction, Sandbox has agreed to issue approximately 153.2 million common shares to B2Gold at a price of C\$0.80/share. Additionally, in conjunction with the Transaction, Sandstorm Gold Ltd. ("Sandstorm Gold") has agreed to convert the remaining principal outstanding on its Sandbox convertible note (approximately US\$14.2 million) into common shares at a price of C\$0.80/share. In connection with the Transaction, Sandbox has changed its name to Versamet Royalties Corporation ("Versamet", or the "Company"). After giving effect to the Transaction and the conversion of the convertible note, the newly named Versamet will have approximately 464.1 million shares outstanding, held 33% by B2Gold, ~26% by Sandstorm Gold, ~13% Equinox Gold, ~7% Regal Funds, and 2% by Beedie Capital.

"This transaction creates a high-quality and financially strong royalty company with a portfolio of enviable assets that provides a robust platform for further growth," said John Armstrong, CEO of Versamet. "We are excited to welcome B2Gold as the largest shareholder in the newly named Versamet, as we continue to grow and build the next intermediate royalty company. The addition of two more near-term cash-flowing assets and significant optionality from eight other assets provides an even stronger base from which to capitalize on the opportunities we see ahead to enhance our business further. Combining the existing Sandbox portfolio with the newly acquired B2Gold royalty portfolio is expected to drive revenues from their current level of more than US\$10 million in 2024 to over US\$30 million in 2026."<sup>(2)</sup>

## Transaction Highlights

- **Significant Incremental Near-Term Cash Flow:** The B2Gold Royalty Portfolio is anchored by royalty interests on the in-construction Kiaka gold project, which is on track for its first gold pour in Q3 2025, and the Toega gold deposit, where production is expected to commence in H2 2025, both of which are owned by West African Resources (ASX:WAF). Once in production, these two royalty interests have the potential to generate almost US\$15 million per annum in

revenue (the vast majority of which would represent free cash flow to Versamet).<sup>(2)</sup> With the addition of these assets, Versamet is expected to generate over US\$110 million in total free cash flow from 2024 – 2029.<sup>(2)(3)</sup>

- **Further Enhanced Growth Profile:** The B2Gold Royalty Portfolio is expected to drive significant revenue and free cash flow growth for Versamet. The number of cash-flowing royalty and streaming interests held by Versamet is expected to increase from two in 2024 to seven in 2027 and nine in 2028. Versamet's revenue is expected to grow at a compound annual growth rate of approximately 68% from 2024 to 2026.<sup>(2)</sup>
- **Diversification & Longer-Term Optionality:** The addition of the B2Gold Royalty Portfolio provides further diversification of our near-term cash flow sources as well as several longer dated, yet highly prospective assets. Most notably, the Quebradona copper-gold-silver project contains measured and indicated copper resources of over 6Blbs and inferred resource of 3.2Blbs of copper, and is being advanced by AngloGold Ashanti. The Mocoa copper project contains inferred resources of more than 4.6Blbs of copper, and is owned by Libero Copper & Gold Corporation. Both these assets are large and prospective mineral inventories with the potential to deliver significant cash flows to Versamet once in production.
- **New Supportive Major Shareholder:** B2Gold will join other cornerstone investors Sandstorm Gold, Equinox Gold, Regal Funds, and Beedie Capital. B2Gold's decision to divest these royalty interests in exchange for shares in Versamet represents further validation of the Company's team, strategy, and valuation.

## **B2Gold Royalty Portfolio: Key Asset Descriptions**

### **Kiaka Gold Project (2.7% Net Smelter Return)**

The Kiaka gold project, located in the highly prospective greenstone belts of central Burkina Faso, has been rapidly advanced by West African Resources since its acquisition in 2021. The project has indicated resources of 212 million tonnes grading 0.9 gpt totaling 6.0Moz Au, inferred resources of 72 million tonnes grading 0.8 gpt totaling 1.9Moz Au and reserves of 155 million tonnes grading 0.9 gpt totaling 4.5Moz Au. A 2022 Feasibility Study outlined a conventional open pit and 8.4Mtpa CIL operation, producing 220,000 ounces of gold per year for 19 years with a pre-production capital cost of US\$430M. Project financing was completed in early 2023, construction activities commenced in the second quarter of 2023 and continue to trend on budget and schedule, being over 44% complete as of May 9, 2024 and targeting first gold production in the third quarter of 2025.<sup>(4)</sup>

### **Toega Gold Deposit (2.7% Net Smelter Return)**

The Toega deposit, also owned by West African Resources, is located near the Sanbrado mine, West African Resources' flagship asset in central Burkina Faso. Toega has an indicated resource of 13 million tonnes grading 1.7 gpt totaling 0.7Moz Au, inferred resources of 8.5 million tonnes grading 2.1 gpt totaling 0.6Moz Au and reserves of 9.5 million tonnes grading 1.9 gpt totaling 0.6Moz Au.

Results of a Feasibility Study were published in 2022 which showed Toega operating as a stand-alone satellite open pit, delivering ore to the existing Sanbrado processing facilities via a 14 km haul road to supplement and increase overall tonnages and processing head grades. In February 2024, West African Resources published an updated 10-year plan, showing Toega ore being processed in late 2025, continuously through 2032, contributing approximately 75,000 ounces of gold per year to Sanbrado. Additionally, in March 2024, West African Resources announced the issuance of a mining permit for Toega, being the last significant operating permit required for the commencement of mining.<sup>(5)</sup>

### Quebradona (2.0% Net Profit Royalty)

Quebradona is a large copper-gold-silver porphyry development project located 90 km southwest of Medellin, Colombia, owned and operated by AngloGold Ashanti. The project contains measured and indicated resources of 314 million tonnes grading 0.89% copper, 0.47 gpt Au and 5.63 gpt Ag, totaling 6.2Blbs Cu, 4.75Moz Au and 57Moz Ag, inferred resources of 306 million tonnes grading 0.48% Cu, 0.23 gpt Au, 3.66 gpt Ag totaling 3.2Blbs Cu, 2.27Moz Au and 36Moz Ag and reserves of 120 million tonnes grading 1.23% Cu, 0.67 gpt Au and 7.29 gpt Ag, totaling 3.3Blbs Cu, 2.6Moz Au and 28Moz Ag. In 2021, AngloGold Ashanti published a Pre-feasibility Study on Quebradona, outlining a sub-level cave operation processing 6.2Mtpa of ore to produce copper and molybdenum concentrates over an initial 23-year mine life. AngloGold Ashanti continues to develop the asset, currently optimizing a Feasibility Study, planning to submit a new environmental license application in 2027, and continuing to engage local communities.<sup>(6)</sup>

### Mocoa (2.0% Net Smelter Return)

Mocoa is a development staged copper-molybdenum project located in southern Colombia owned by Libero Copper & Gold Corporation. The project has an inferred resource of 636 million tonnes grading 0.33% Cu and 0.036% Mo, containing 4.6Blbs of Cu and 511Mlbs of Mo. Libero Copper recently divested other assets to focus solely on Mocoa and has partnered with Anglo Asian Mining Plc to redesign the project as a lower-impact bulk tonnage underground mine.<sup>(7)</sup>

**Table 1: B2Gold Royalty Portfolio**

| Project    | Description   | Location     | Owner/Operator         |
|------------|---|--------------|------------------------|
| Kiaka      | 2.7% NSR until 2.5Moz of gold produced; 0.45% NSR royalty on next 1.5Moz.   | Burkina Faso | West African Resources |
| Toega      | NSR royalty on first 1.5Moz of gold produced. 2.7% until royalty payments total US\$22.5 million, and 0.45% thereafter. | Burkina Faso | West African Resources |
| Quebradona | 2.0% net profit royalty   | Colombia     | AngloGold Ashanti      |

|                 |   |                  |                         |
|-----------------|---|------------------|-------------------------|
| Mocoa           | 2.0% NSR  | Colombia         | Libero Copper           |
| Primavera       | 1.5% NSR  | Nicaragua        | Calibre Mining          |
| Golden Sidewalk | 2.0% NSR  | Ontario          | Prosper Gold            |
| Midas           | 1.0% NSR  | British Columbia | Teuton Resources        |
| Del Norte       | 1.0% NSR  | British Columbia | Teuton Resources        |
| Asikuma         | 2.0% - 3.5% sliding scale NSR to be paid after the first 200koz of gold is recovered from the Mampon property | Ghana            | Future Global Resources |
| Mansiso         | 2.0% - 3.5% sliding scale NSR   | Ghana            | Future Global Resources |

## Transaction Timing and Name Change

Concurrent with the signing of the Agreement, Sandbox has changed its name to Versamet Royalties Corporation and has closed the acquisition of the Kiaka, Toega, Primavera, Midas, and Del Norte assets. The remaining assets are subject to various right of first refusal or right of first offer provisions, which are expected to lapse or be exercised within the next 60 days.

## B2Gold Investor Rights Agreement

In connection with the Transaction, B2Gold and the Company have entered into an Investor Rights Agreement, which provides B2Gold with certain rights including pro-rata participation rights with respect to future capital raises and the right to nominate a board member or board observer for election to the Versamet Board of Directors in certain circumstances.

## Advisors and Counsel

Blake, Cassels & Graydon LLP is acting as legal advisor to Sandbox in connection with the Transaction. B2Gold's financial advisor is RBC Capital Markets, and its legal counsel is McCarthy Tétrault LLP.

End Notes:

- (1) Assuming that none of the applicable right of first refusal or right of first offer provisions are exercised.
- (2) Based on internal management model, assuming consensus commodity prices where applicable.
- (3) Free cash flow is after estimated cash taxes, G&A, and interest expense, but before any principal repayments.
- (4) Kiaka Mineral Resources shown inclusive of Mineral Reserves, effective February 28, 2024. Mineral Reserves dated August 2, 2022. For more information, please refer to West African Resource's news releases dated August 2, 2022, February 28, 2024, and the latest corporate presentation dated March 18, 2024, available at <https://www.westafricanresources.com>.
- (5) Toega Mineral Resources are shown inclusive of Mineral Reserves, and along with the Mineral Reserves, dated February 28, 2024. For more information, please refer to West African Resource's news releases dated February 2, 2022, February 28, 2024, and March 22, 2024, and the latest corporate presentation dated March 18, 2024, available at <https://www.westafricanresources.com>.
- (6) Quebradona Mineral Resources are shown inclusive of Mineral Reserves, and along with Mineral Reserves are dated December 31, 2023. For more information, please refer to AngloGold Ashanti's December 31, 2023, and December 31, 2022 Mineral Resource and Mineral Reserve Reports and an SK-1300 compliant Pre-Feasibility Study dated December 31, 2021 available at <https://www.anglogoldashanti.com> or under AngloGold Ashanti's profile at <https://www.sec.gov/edgar>.
- (7) Mocoa Mineral Resources are dated November 1, 2021. For more information, please refer to the Mocoa NI43-101 Technical Report dated November 1, 2021, along with recent Libero Copper news releases dated May 2, 2023, June 27, 2023, December 20, 2023, December 21, 2023 and Libero corporate presentation dated March 2024, available at <https://www.liberocopper.com> or under Libero's profile at [sedarplus.ca](https://www.sedarplus.ca).

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For more information please visit our website at [www.sandboxroyalties.com](http://www.sandboxroyalties.com) or [www.versamet.com](http://www.versamet.com)

The scientific and technical information contained in this news release has been reviewed and approved by Diego Airo, P.Eng, Vice President of Evaluations for the Company and a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. Mr. Airo is a Qualified Person as defined in the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The Company uses certain performance measures in its analysis. These non-GAAP performance measures are included in this document because these statistics are key performance measures that management uses to monitor performance to assess how the Company is performing. These performance measures do not have a standard meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other companies.

#### **Cautionary Note Regarding Forward-Looking Information**

This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian securities legislation. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budget", "guidance", "scheduled", "estimates", "forecasts", "strategy", "target", "intends", "objective", "goal", "understands", "anticipates" and "believes" (and variations of these or similar words) and statements that certain actions, events or results "may", "could", "would", "should", "might" "occur" or "be achieved" or "will be taken" (and variations of these or similar expressions). Forward-looking information is also identifiable in statements of currently occurring matters which may continue in the future, such as, "is currently", "allows/allowing for", "will advance" or "continues to" or other statements that may be stated in the present tense with future implications. All of the forward-looking information in this news release is qualified by this cautionary note. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by the Company at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. Forward-looking statements in this news release include statements relating to: closing the Transaction as described herein, including the anticipated share consideration and post-closing shareholdings; further Company growth, the ability to build the next intermediate royalty company and the ability to capitalize on opportunities; revenue and free cash flow expectations and estimates; production expectations and revenue from the Kiaka and Toega projects; closing the second tranche of the Transaction; general anticipated developments in the operations of the Company; estimates of mineral resources and reserves; estimates of the mine life of certain projects; expectations regarding the costs and timing of exploration and

development, and the success of such activities; sales expectations; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; and other events or conditions that may occur in the future or future plans, projects, objectives, estimates and forecasts, and the timing related thereto.

Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to: the impact of general business and economic conditions; the absence of control over mining operations from which the Company will purchase gold, other commodities or receive royalties from, and risks related to those mining operations, including risks related to international operations, government and environmental regulation; actual results of current exploration activities; conclusions of economic evaluations and changes in project parameters as plans continue to be refined; the risk that the Company will not be able to complete its proposed acquisitions as planned or at all; risks in the marketability of minerals; fluctuations in the price of gold and other commodities, fluctuation in foreign exchange rates and interest rates; volatile financial markets risks that may affect the Company's ability to obtain additional financing on acceptable terms; required approvals or clearances from government authorities on a timely basis, and risks related to the business and strategic plans of the Company. Should one or more risk, uncertainty, contingency or other factors materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, the reader should not place undue reliance on forward-looking information. The Company does not assume any obligation to update or revise any forward-looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information except as required by applicable law.

This news release also contains or references data that is based upon information from publicly available sources. Although the Company believes these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data and other inherent limitations and uncertainties. The Company has not independently verified any of the data from third party sources referred to in this news release and accordingly, the accuracy and completeness of such data is not guaranteed.