



Awalé Resources Successfully Closes \$2.36 Million Financings, Appoints New CEO, Welcomes New Directors, Settles Debt and Grants Stock Options

VANCOUVER, BC, May 24, 2023 /CNW/ - Awalé Resources Limited (TSXV: ARIC) ("**Awalé**" or the "**Company**"), a junior explorer focused on gold and copper exploration in Côte d'Ivoire, is pleased to announce the closing of its previously announced financings for gross proceeds of \$2.36 million together with other significant developments that will propel the Company toward a new phase of growth and success.

The financings include a \$1.5 million non-brokered private placement, including \$1 million by Orecap Invest Corp. (formerly Orefinders Resources Inc.) ("**Orecap**"), a prominent investor in the mining sector, and a concurrent \$860,610 brokered private placement led by Beacon Securities Limited as agent (the "**Agent**"). The net proceeds from the Brokered Financing and the Non-Brokered Financing will be used for exploration and development expenditures at the Company's projects in Ivory Coast, settlement of certain payables, and general working capital purposes. Full details of the financings, allocation of shares for debt and a grant of stock options are provided below.

Appointment of New CEO and New Directors to the Team

Awalé is delighted to announce the appointment of Andrew Chubb, formerly the Chief Operating Officer of the Company as its new Chief Executive Officer ("**CEO**") and as a director. Andrew is a geologist with 20 years of experience and has been intimately involved with the Company's projects since inception. With a proven track record of success and exceptional leadership skills, Andrew is well-equipped to steer Awalé towards future success.

In addition to the CEO appointment, we are excited to welcome Stephen Stewart to Awalé's Board of Directors (the "**Board**"). Stephen brings a wealth of experience in the mining and exploration sector and has over 18 years of financial experience as a director and senior officer with Canadian public companies, including as the CEO and director of Orecap (TSXV:OCI) and QC Copper & Gold Inc. (TSXV:QCCU), and the chair of Mistango River Resources (CSE:MIS) and Baselode Energy Corp. (TSXV:FIND). Mr. Stewart is the founder of the Ore Group, an organization focused on natural resource discovery and development, and founder and chairman of the Young Mining Professionals Scholarship Fund, the largest mining-focused charitable organization and fund which supports mining engineering and geology education in Canada. Mr. Stewart holds a Bachelor of Arts degree from the University of Western Ontario, a Master of Business Administration degree from the University of Toronto's Rotman School of Management and a Master of Science degree from the University of Florida.

At closing of the financings, Mr. Glen Parsons will be stepping down as CEO and resigning from the Board. The Board expresses its gratitude to Mr. Parsons for his contributions and leadership during his tenure as CEO and wishes him all the best in his future endeavors.

Andrew Chubb, the incoming CEO said today: *"As the former Chief Operating Officer of Awalé, I have a close working relationship with our project team. Together we have developed a deep*

understanding of our projects, and I have played a hands-on role in the development and growth of our projects. The team is well poised to steer Awalé to new heights in the exploration and mining industry.

One of our primary objectives is to create value through the Newmont Joint Venture, a mutually beneficial partnership that is a first step in unlocking the full potential of Awalé's Odienné Projects. This collaboration with Newmont, a global mining powerhouse, brings together our expertise and Newmont's resources to accelerate the exploration and development of our assets. We are confident that this joint venture will enhance shareholder value.

In addition to the Newmont Joint Venture properties, we are focusing on the granting and subsequent realization of the exploration potential of our 100%-owned permit applications in the district. These permits represent a promising opportunity for further discoveries in the region, and we are committed to exploring and unlocking their full potential.

I would also like to extend a warm welcome to Orecap and express our gratitude for their confidence in our project team, the potential of the projects and future vision for the Company. Together, we will forge a successful path forward, leveraging our collective strengths and expertise."

Details of the Financings and Debt Settlement

The Company completed:

- a private placement of 7,171,750 units of the Company (the "**Brokered Units**") at a price of \$0.12 per Brokered Unit (the "**Offering Price**"), raising gross proceeds of \$860,610 (the "**Brokered Financing**");
- a concurrent non-brokered private placement of 12,470,431 units of the Company (the "**Non-Brokered Units**") at the Offering Price, raising further gross proceeds of \$1,496,451.72 (the "**Non-Brokered Financing**"); and
- a debt settlement by issuing 1,855,414 common shares of the Company ("**Common Shares**") to current or former directors, officers and consultants of the Company (the "**Creditors**") and 311,236 Common Shares to Mr. Parsons and, subject to receipt of disinterested shareholder approval, will issue an additional 999,216 Common Shares to the Creditors and 813,014 Common Shares to Mr. Parsons (collectively, the "**Debt Shares**") at a deemed price of \$0.12 per Debt Share, in settlement of a total of \$342,555.60 in outstanding debt to the Creditors and \$134,910 in severance pay to Mr. Parsons, respectively (the "**Debt Settlement**").

The Brokered Units and Non-Brokered Units each consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable to acquire one additional Common Share (a "**Warrant Share**") until May 24, 2026 at a price of \$0.20 per Warrant Share.

The Brokered Financing was conducted pursuant to the terms of an agency agreement dated May 24, 2023 entered into between the Company and the Agent. As consideration for services

provided by the Agent in connection with the Brokered Financing, the Company: (a) paid a commission and corporate finance fee in cash in the amount of \$51,604.40; (ii) issued 430,305 non-transferrable warrants (the “**Broker Warrants**”), with each Broker Warrant exercisable to acquire one Common Share at the Offering Price until May 24, 2026; and (iii) paid a corporate finance fee equal to \$100,000, by issuing 833,333 units of the Company at the Offering Price and having the same terms as the Brokered Units.

In connection with the Non-Brokered Financing, Orecap subscribed for 8,333,333 Non-Brokered Units. Immediately before the closing of the Non-Brokered Financing, Orecap did not own any Common Shares or securities of the Company convertible or exchangeable into Common Shares. Following the completion of the transactions disclosed in this news release, including the Non-Brokered Financing, Orecap will be deemed to be an Insider (as this term defined under securities law) of the Company as it will beneficially own and control 8,333,333 Common Shares and 4,166,666 Warrants entitling it to acquire a further 4,166,666 Common Shares representing 15.32% of the issued and outstanding Common Shares on a non-diluted basis and 21.35% of the issued and outstanding Common Shares on a partially-diluted basis (based on a total of 54,390,779 Common Shares issued and outstanding).

The net proceeds from the Brokered Financing and the Non-Brokered Financing will be used for exploration and development expenditures at the Company's projects in Ivory Coast, settlement of certain payables, and general working capital purposes.

Investor Rights Agreement and Grant of Options

Pursuant to terms of the binding term sheet entered into by the Company and Orecap on April 24, 2023 (please see the Company's news release of April 25, 2023), the Company also announces that it has:

- (1) entered into an investor rights agreement (the “**Investor Rights Agreement**”) with Orecap granting it the right, for so long as Orecap's percentage ownership interest in the issued and outstanding Common Shares is at least 10%, calculated on a partially diluted basis, to: (a) nominate two directors to the Board; and (b) participate in any offering of Common Shares or securities convertible into Common Shares, on substantially the terms and conditions of such offering, to maintain its percentage ownership interest in the issued and outstanding Common Shares immediately prior to completion of such offering; and
- (2) granted incentive stock options under the Company's stock option plan to directors, officers and certain employees, including to the newly appointed directors, to purchase up to 3,605,000 Common Shares exercisable at a price of \$0.20 per Common Share for a period of five years.

Pursuant to the Investor Rights Agreement, the Company has appointed Mr. Stephen Stewart to the Board as the nominee of Orecap and an additional director will be nominated by Orecap for election by shareholders at the Company's next general meeting.

The Company also signed the Advisory Agreement described in its April 25, 2023 news release.

Additionally, the Company issued an aggregate of 625,000 Common Shares at a deemed price of \$0.12 per Common Share to Vukasin Pekovic and Devrim Jan Turkdogan as finder's fees for introducing Orecap to the Company.

All securities issued with respect to the above transactions, including the Brokered Financing and Non-Brokered Financing, Debt Settlement and finder's fees are subject to a hold period which will expire on September 25, 2023 in accordance with applicable securities laws or the Exchange Hold Period under the policies of the TSX Venture Exchange ("TSXV").

Finally, the Company announces that it filed its 2022 Annual Audited Financial Statements and received an order on May 10, 2023 revoking the Management Cease Trading Order issued on May 3, 2023 by the British Columbia Securities Commission.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

AWALÉ RESOURCES LIMITED

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About Awalé Resources

Awalé is a diligent and systematic mineral exploration company focused on the discovery of large high-grade gold and copper-gold deposits. The Company currently undertakes exploration activities in the underexplored parts of Côte d'Ivoire. Awalé's exploration success to date has culminated in a fully funded earn-in Joint Venture with Newmont (the "**Newmont JV**") covering 1 permit and 1 application within the greater the Odienné Project in the Northwest of Côte d'Ivoire, where three significant gold and gold-copper-silver-molybdenum discoveries have been made. The Sceptre East and Charger discoveries have significant scope for growth with future discovery and resource development drilling. The project has multiple pipeline prospects that follow the same geochemical fingerprint as Iron Oxide Copper Gold ("**IOCG**") and intrusive related targets. The 400km² of granted tenure and 400km² under application remains underexplored and offers significant upside potential. The Newmont JV forms a solid foundation for the Company to continue exploring in a pro-mining jurisdiction that offers significant potential for district scale discoveries.

Forward-Looking Information

This press release contains forward-looking information within the meaning of Canadian securities laws (collectively "**forward-looking statements**"). Forward-looking statements are typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "plans", "postulate" and similar expressions, or are those, which, by their nature, refer to

future events. All statements that are not statements of historical fact are forward-looking statements. Forward-looking statements in this press release include but are not limited to statements regarding expectations for growth and success, the use of proceeds from the financings and the ability to obtain disinterested shareholder approval for the Debt Settlement and the implications of such for the Company. Although the Company believes any forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance and that actual results may differ materially from those in forward-looking statements as a result of various factors, including the potential inability to obtain required regulatory approvals and satisfy other applicable closing conditions; possible adverse impacts due the global outbreak of COVID-19; the Company's inability to generate sufficient cash flow or raise sufficient additional financing requirements; volatility in metals prices; the ability of the Company to retain its key management employees and skilled and experienced personnel; conflicts of interest; litigation or other administrative proceedings brought against the Company; actual or alleged breaches of governance processes or instances of fraud, bribery or corruption; exploration, development and mining risks and the inherently dangerous nature of the mining industry, and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties; property and mineral title risks including defective title to mineral claims or property; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and Côte d'Ivoire; equipment shortages and the ability of the Company to acquire necessary access rights and infrastructure for its mineral properties; environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations and water use licences; extreme competition in the mineral exploration industry; delays in obtaining, or a failure to obtain, permits necessary for current or future operations or failures to comply with the terms of such permits; risks of doing business in Côte d'Ivoire, including but not limited to, labour, economic and political instability and potential changes to and failures to comply with legislation; the Shares may be delisted from the TSXV if it cannot maintain compliance with the applicable listing requirements; and other risk factors described other filings with Canadian securities regulators, which may be viewed at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether because of new information, future events or results or otherwise.

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For further information: For additional information you are invited to visit the Awalé Resources Limited website at www.Awaléresources.com, or contact Karen Davies, Head of Investor Relations, at Tel: 604.314.6270.