

**AWALÉ RESOURCES LIMITED**  
(previously known as Spada Gold Limited)

**Condensed interim consolidated financial statements June 30, 2018  
and June 30, 2017 (unaudited)**

**(expressed in United States dollars)**

**Awalé Resources Limited** (previously known as Spada Gold Limited)  
**Condensed Interim Consolidated Statement of Financial Position**  
(unaudited)  
(expressed in US dollars)

		<b>30 Jun-18</b>	<b>31 Dec-17</b>
		<b>USD</b>	<b>USD</b>
<b>Assets</b>			
Current			
Cash and cash equivalents		1,050,603	3,002,141
Receivables		34,238	127,906
Prepaid expenses		76,159	56,908
		<u>1,161,000</u>	<u>3,186,955</u>
Non-current			
Cash deposit		5,521	2,918
Property, plant and equipment		67,050	79,794
Exploration and evaluation	5	4,080,109	2,643,958
		<u>4,152,680</u>	<u>2,726,670</u>
<b>TOTAL ASSETS</b>		<u><u>5,313,680</u></u>	<u><u>5,913,625</u></u>
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities		481,089	422,822
Contractual obligation payable	7	289,584	318,840
		<u>770,673</u>	<u>741,662</u>
Non-current			
Contractual obligation payable	7	1,158,336	1,187,025
		<u>1,158,336</u>	<u>1,187,025</u>
<b>Shareholders' equity</b>			
Capital stock	6	3,605,307	3,589,790
Reserves		753,151	588,399
Accumulated deficit		(977,381)	(195,883)
Non-controlling interest		3,594	2,632
		<u>3,384,671</u>	<u>3,984,938</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>5,313,680</u></u>	<u><u>5,913,625</u></u>

**Awalé Resources Limited (previously known as Spada Gold Limited)**  
**Condensed Interim Consolidated Statements of Loss and Other**  
**Comprehensive Loss**  
(unaudited)  
(expressed in US dollars)

	For the three months ended		For the six months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
	USD	USD	USD	USD
<b>Other income</b>				
Interest	(180)	-	(230)	-
	(180)	-	(230)	-
<b>Expenses</b>				
Professional fees	20,291	12,539	52,064	13,193
Salaries	115,328	-	233,302	-
Consulting fees	7,553	-	15,550	-
Share-based compensation	196,394	124	282,629	954
General and administrative	22,013	821	53,816	6,575
Investor relations	25,127	-	49,135	-
Travel	24,116	-	43,399	-
Depreciation	7,909	-	15,946	-
Foreign exchange loss (gain)	11,729	-	22,198	-
Interest	6,772	-	13,689	-
	437,232	13,484	781,728	20,722
Tax	-	-	-	-
<b>Gain/(Loss)</b>	(437,052)	(13,484)	(781,498)	(20,722)
Net movement in foreign currency translation reserve	(116,309)	-	(116,933)	2,598
<b>Comprehensive (loss)/gain</b>	(553,361)	(13,484)	(898,431)	(18,124)
Weighted average number of common shares outstanding	29,058,394	8,000,001	29,004,853	8,000,001
	0	-	0	-
Basic and diluted loss per share	(0.02)	(0.00)	(0.03)	(0.00)

**Awalé Resources Limited (previously known as Spada Gold Limited)**  
**Condensed Interim Consolidated Statements of Changes in Equity**

(unaudited)

(expressed in US dollars)

	Share Capital	Accum Deficit	Reserves	Non controlling interests	TOTAL
<b>Balance, December 31 2016</b>	336,616	(59,295)	11,359	-	288,680
Loss	-	(20,722)	-	-	(20,722)
Foreign exchange movements	-	-	2,598	-	2,598
Total comprehensive loss	-	(20,722)	2,598	-	(18,124)
<i>Transactions with owners in their capacity as owners:</i>					
Share based payments	-	-	954	-	954
	-	-	954	-	-
<b>Balance, June 30, 2017</b>	<b>336,616</b>	<b>(80,017)</b>	<b>14,911</b>	<b>-</b>	<b>271,510</b>
<b>Balance, December 31, 2017</b>	3,589,790	(195,883)	588,399	2,632	3,984,938
Loss	-	(781,498)	-	-	(781,498)
Foreign exchange movements	-	-	(117,895)	962	(116,933)
Total comprehensive loss	-	(781,498)	(117,895)	962	(898,431)
<i>Transactions with owners in their capacity as owners:</i>					
Issue of shares	15,517	-	-	-	15,517
Share based payments	-	-	282,647	-	282,647
	15,517	-	282,647	-	298,164
<b>Balance, June 30, 2018</b>	<b>3,605,307</b>	<b>(977,381)</b>	<b>753,151</b>	<b>3,594</b>	<b>3,384,671</b>

**Awalé Resources Limited (previously known as Spada Gold Limited)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(unaudited)  
(expressed in US dollars)

	<b>6 months ended June 30, 2018 USD</b>	<b>6 months ended June 30, 2017 USD</b>
<b>Cash flow from operating activities</b>		
Payments to suppliers and employees	(535,977)	(16,283)
Interest received	230	-
	<u>(535,747)</u>	<u>(16,283)</u>
<b>Cash flows from investing activities</b>		
Payments for purchases of PP&E	(20,722)	-
Payments for exploration activities	(1,415,122)	-
	<u>(1,435,844)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	134,740	-
Payments for share issue costs	(83,806)	-
	<u>50,934</u>	<u>-</u>
Net increase in cash equivalents	(1,920,657)	(16,283)
Effect of fluctuations in exchange rate	(28,278)	(463)
Cash at the beginning of the period	3,005,059	306,907
	<u>1,056,124</u>	<u>290,161</u>
<b>Cash at the end of the period</b>	<u>1,056,124</u>	<u>290,161</u>

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## **Awalé Resources Limited (previously known as Spada Gold Limited)**

### **Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017**

(unaudited)  
(expressed in USD)

#### **1. Nature of operations**

Awalé Resources Limited (“Awalé” or the “Company”) (previously known as Spada Gold Limited), was incorporated under the Business Corporations Act of British Columbia on June 23, 2015. On April 14, 2016 the Company completed an initial public offering and became a capital pool company as defined in the TSX Venture Exchange (“TSXV”) Policy 2.4.

The Company completed a Qualifying Transaction (“QT”) on December 29, 2017 which is filed on SEDAR and was approved by the TSXV, and acquired the following entities:

- 80% of Awalé Resources Limited (“Awalé Resources”) from Sandstorm Gold Limited (“Sandstorm”);
- 20% of Awalé from Awalé Holdings Limited (“Awalé Holdings”);
- 100% of Aforo (Ivory Coast) Holdings Pty Ltd (“Aforo”) from Sandstorm.

Concurrently, with the QT, the Company completed a private placement on the TSXV issuing 13,967,902 shares at approximately US\$0.20 (C\$0.25) each, raising \$2,783,560. The placement comprised of one common share and one-half of one transferable warrant, with each whole warrant being exercisable to purchase one additional common share, at a price of \$0.32 (C\$0.40) per share, for a period of two years.

Following the QT and private placement, the Company intends to use the funds raised to identify and explore precious metals projects in Côte d’Ivoire.

The principal office is 8681 Clay Street, Mission, British Columbia, Canada.

#### **2. Basis of preparation**

##### **Statement of compliance with IFRS**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2017, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements of the Company and its subsidiaries for the six months ended June 30, 2018 were approved and authorized for issue by the Board of Directors on August 17, 2018.

#### **3. Significant accounting policies and future accounting changes**

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2017.

## Awalé Resources Limited (previously known as Spada Gold Limited)

### Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017

(unaudited)  
(expressed in USD)

#### Basis of consolidation and functional currency

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries:

Entity	Ownership percentage	Country of incorporation	Functional currency
Awalé Resources Limited (the Company)	-	Canada	Canadian Dollar (CAD)
Awalé Resources Limited	100.0%	Guernsey	United States dollar (USD)
Awalé Resources (SARL)	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Srika Gold Limited	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Africa New Geological Technologies Côte d'Ivoire SARL	90.0%	Côte d'Ivoire	West African CFA franc (CFA)
Aforo Resources Côte d'Ivoire	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Aforo (Ivory Coast) Holdings Limited	100.0%	Australia	Australian Dollar (AUD)
Minera Mariana de Chile Limitada*	100.0%	Chile	Chilean Peso (CLP)
AMG Chile Limitada*	100.0%	Chile	Chilean Peso (CLP)
Altavista Gold Limited*	100.0%	Canada	Canadian Dollar (CAD)

\*Entities acquired by the Company during the period for nil value. These are dormant companies that were agreed to be acquired by the Company as part of an agreement with Sandstorm. The Company will assess the value of these entities to the group and if not required will be wound down.

#### Exploration and evaluation

##### **Recognition and measurement**

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by areas of interest pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of each Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon each Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

The technical feasibility and commercial viability of extracting a mineral resource from an area of interest is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each area of interest is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the statement of loss and comprehensive loss to the extent of any impairment.

##### **Impairment**

Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of an area of interest exceeds its estimated recoverable amount. The recoverable amount of an area of interest used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair

## **Awalé Resources Limited (previously known as Spada Gold Limited)**

### **Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017**

(unaudited)  
(expressed in USD)

value less costs of disposal ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. FVLCTS refers to the price that would be received to sell the area of interest in an orderly transaction between market participants. For an area of interest that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the area of interest belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the area of interest's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

#### **Loss per share**

The Company presents basic and diluted loss per share data for its ordinary shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for any of its own shares held. Diluted loss per share is determined by adjusting the loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for any of its own shares held, for the effects of all dilutive potential ordinary shares, which comprise outstanding warrants and stock options. As at June 30, 2018 and June 30, 2017, outstanding stock options and warrants are anti-dilutive.

#### **Going concern**

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred operating losses to date and has no source of revenues. The ability of the Company to continue as a going concern is dependent on the ability to raise additional capital to explore its mineral properties. However should additional capital not be available, the Company may be unable to continue as a going concern.

The directors are confident of raising additional capital based on market conditions and previous experience to continue as a going concern. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the combined group not continue as a going concern.

#### **New accounting standards for application in future periods**

The Company has adopted all applicable new, revised or amending Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the reporting periods in these condensed interim consolidated financial statements.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At this stage, it is not expected that these new accounting standards will have a material impact on the amounts reported in the Group's financial statements. Certain disclosures and presentation may change due to the new or amended standards.

#### **4. Significant accounting judgments, estimates and assumptions**

##### ***Estimates***

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

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### Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017

(unaudited)  
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#### *Impairment of exploration and evaluation*

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which each Company has the right to explore in a specific area, actual and planned expenditures, results of exploration, whether an economically-viable operation can be established and significant negative industry or economic trends. Management judgment is also applied in determining cash generating units, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest. See note 5.

#### *Share based payments*

The Company uses the Black-Scholes option pricing model in determining share-based payments, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, actual share-based compensation may vary from the amounts estimated.

#### *Contractual obligation payable*

The Company has assessed the contractual obligation payable to Sandstorm as being more likely than not to not continue past 5 years.

## 5. Exploration and evaluation assets

	Jan 1, 2018	Additions	Foreign exchange movement	Jun 30, 2018
	\$	\$	\$	\$
Bondoukou	2,241,026	1,491,219	(66,874)	3,665,371
Odienne	402,932	9,419	(8,062)	404,289
Abengourou	-	10,783	(334)	10,449
	2,643,958	1,511,421	(75,270)	4,080,109

There were no deferred exploration costs recorded in the six months ended June 30, 2017.

#### **Bondoukou**

The Bondoukou project concessions lie along the southwestern extension of the Birimian-age Bole-Nangodi greenstone belt in adjacent Ghana, which is host to a number of orogenic-type gold deposits. During the period the Company undertook a Diamond Drilling program for the Fako and Casino prospects at the Bondoukou Project, Côte d'Ivoire.

#### **Odienné**

The Company has one granted license in the north-west of Côte d'Ivoire, being its 90% interest in the Odienné Project area (400km<sup>2</sup> granted), along with a number of strategic permits under application. Anomalous active artisanal orpillage workings are apparent along structural corridors

Durng the period the company announced extensive gold in soil anomalies from three target areas at the Odienné permit in north west Côte d'Ivoire.

#### **Abengourou**

The Abengourou Project now consists of 2 prospective gold permits Amélékia and Nianda, in the Comoé district of south eastern Côte d'Ivoire. The two granted permits and one application form the Company's Abengourou Project.

## Awalé Resources Limited (previously known as Spada Gold Limited)

### Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017

(unaudited)  
(expressed in USD)

These permits now give the Company a district presence at Abengourou with 718 square kilometres of granted tenure.

#### 6. Capital stock

The Company is authorized to issue ordinary shares.

	Number of shares	\$
January 1, 2017	8,000,001	336,616
<b>June 30, 2017</b>		
January 1, 2018	28,906,103	3,589,790
Issue of shares	196,060	15,517
<b>June 30, 2018</b>	<b>29,102,163</b>	<b>3,605,307</b>

All issued ordinary shares are fully paid and have no par value. The holders of the shares are entitled to receive dividends and are entitled to one vote per share. All shares rank equally with regard to the Company's residual assets in the event of a wind-up.

Included in Capital Stock are the following shares which are subject to escrow and hold provisions; 2,137,200 shares issued to Sandstorm, 4, 800, 000, shares issued to the minority interest in Awalé and Aforo as part of the acquisition on December 29, 2017 in line with the Acquisition Agreements; and 13,967,902 share issued as part of the private placement. These escrowed shares will be released periodically over the next three years in line with the relevant agreements. These shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

#### (a) Warrants

A summary of the Company's warrants is presented below (denominated in US\$):

		Number of warrants	Weighted average exercise price \$
Balance January 1, 2017	(i)	200,000	0.08
<b>Balance June 30, 2017</b>		<b>200,000</b>	<b>0.08</b>
Balance January 1, 2018	(ii) (iii)	7,383,951	0.31
Exercised		(196,060)	0.31
<b>Balance June 30, 2018</b>		<b>7,187,891</b>	<b>0.31</b>

(i) On April 14, 2016 the Company issued 200,000 share purchase warrants to the agent for the initial public offering

The following assumptions were used in connection with this grant using the Black-Scholes model:

Risk free rate	0.60%
Expected volatility	50%
Expected life	2 years
Share price on date of grant	\$ 0.08
Exercise price	\$ 0.08
Expected dividend	nil

**Awalé Resources Limited (previously known as Spada Gold Limited)**

**Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017**

(unaudited)  
(expressed in USD)

(ii) On December 29, 2017 the Company issued 6,983,951 in connection with the private placement undertaken.

The following assumptions were used in connection with this grant using the Black-Scholes model:

Risk free rate	1.55%
Expected volatility	100%
Expected life	2 years
Share price on date of grant	0.20
Exercise price	\$ 0.32
Expected dividend	nil

(iii) On December 29, 2017 the company issued 200,000 warrants in connection with the acquisition of the minority interests in Awalé.

The following assumptions were used in connection with this grant using the Black-Scholes model:

Risk free rate	1.55%
Expected volatility	100%
Expected life	3 years
Share price on date of grant	\$ 0.20
Exercise price	\$ 0.20
Expected dividend	nil

**(b) Options**

On December 3, 2015 the Company approved the creation of a stock option plan and authorised 400,000 incentive stock options to be issued to directors upon the closing date of the Company's initial public offering.

These 400,000 incentive stock options were granted on April 14, 2016., and have an exercise price of \$0.08, expire on April 14, 2021 and vested 50% upon grant date, 25% six months after grant date and 25% 12 months after grant date.

A summary of the Company's options is presented below (denominated in US\$):

		<b>Number of options</b>	<b>Weighted average exercise price</b>
			<b>\$</b>
Balance January 1, 2017	(i)	400,000	0.08
<b>Balance June 30, 2017</b>		<b>400,000</b>	<b>0.08</b>
Balance January 1, 2018		400,000	0.08
Issued	(ii)	1,930,000	0.32
<b>Balance June 30, 2018</b>		<b>2,330,000</b>	<b>0.28</b>

(i) , The following assumptions were used in the Black-Scholes model at the date of grant and have not been adjusted :

Risk free rate	0.75%
Expected volatility	50%
Expected life	4.54 years
Share price on date of grant	\$ 0.08
Exercise price	\$ 0.08
Expected dividend	nil

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**Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017**

(unaudited)  
(expressed in USD)

- (ii) During the period the Board approved 960,000 options to be issued to directors and officers and 970,000 options to be issued to employees. The Company recorded a cost of \$170,709 for the six months ending June 30, 2018 in relation to these options.

The following assumptions were used in the Black-Scholes model at the date of grant and have not been adjusted:

Risk free rate	2.05%
Expected volatility	100%
Expected life	3 years
Share price on date of grant	\$0.30
Exercise price	\$0.32
Expected dividend	nil

(c) **Bonus shares**

On May 14, 2018 the Board approved and, subject to TSXV acceptance, intends to grant bonuses in the aggregate amount of C\$143,000 (US\$111,938) to certain senior officers and employees of the Company as detailed below. The bonuses will be paid, as agreed, by the issuance of 572,000 shares at a deemed price of C\$25 (US\$0.196 cents) cents per share.

The Bonus Shares will be subject to a 4 month hold period under securities legislation and will be subject to a one year vesting period from date of grant. These shares have been recorded as a share based payment at June 30, 2018.

	<b>Bonus C\$</b>	<b>Bonus shares to be issued @C\$0.25 per share</b>	<b>Bonus US\$</b>
Andrew Chubb- COO	100,000	400,000	78,278
Sharon Cooper - CFO	20,000	80,000	15,656
Kathryn Witter – Company Secretary	4,000	16,000	3,131
Other employees	19,000	76,000	14,873
	<b>143,000</b>	<b>572,000</b>	<b>111,938</b>

**7. Contractual Obligation Payable**

The Company has recognised a contractual obligation payable of \$1,447,920 in relation to its acquisition of Awalé and Aforo on December 29, 2017.

	<b>2018</b>
	<b>\$</b>
Current	289,584
Non-current	1,158,336
	<b>1,447,920</b>

The Company is able to make the annual payments (approximately \$289,584) of this obligation by way of shares or cash. The Company has recognised a net present value of \$1,447,920 at June 30, 2018 using the following discount rate for each annual payment:

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**Notes to Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2018 and June 30, 2017**

(unaudited)  
(expressed in USD)

	Interest Rate
Year 1	1.57%
Year 2	1.78%
Year 3	1.90%
Year 4	1.98%
Year 5	2.05%

**8. Related party transactions**

During the six months ended June 30, 2018 the Company incurred employment costs and fees to directors and officers, or to companies associated with these individuals as follows:

	<b>6 months ended June 30, 2018</b>
Non-executive directors' fees	30,000
CEO fees & entitlements	110,285
COO fees & entitlements	96,691
Accounting fees – CFO services	47,994
Company secretarial fees	16,843
Technical committee fees	6,000
Share based payment	181,959
	489,772

There were no related party transactions for the six months ended June 30, 2017.

**Compensation of key management personnel**

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set put below:

	<b>6 months ended June 30, 2018</b>	<b>6 months ended June 30, 2017</b>
Salaries	183,502	-
Non-monetary benefits	16,976	-
Post - employment benefits	6,498	-
Share based payment	181,959	954
CFO fees	47,994	-
Company Secretarial fees	16,843	-
Technical Committee fees	6,000	-
Non-executive director fees	30,000	-
	489,772	954

**9. Commitments and contingencies**

The Company has the following commitments and payment is contingent on the continued operations based on successful exploration results at its Odienné property at each date disclosed below.

<b>Date</b>	<b>Payment</b>	<b>Condition</b>
January 2019	US\$40,000	36 months from the grant of the First Grant (First Grant being grant of title)
January 2020	US\$80,000	48 months from the grant of First Grant (First Grant being grant of title)
	US\$1,845,000	Upon the Company making a decision to mine in respect of the First Grant, the approval of a mining plan by the relevant authority, and securing finance to carry out that mining plan so as to take the mine to production stage.

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(unaudited)  
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Awalé is required to pay a 2% net smelter royalty to Sandstorm on any products sold from the Awalé and Aforo properties as detailed in the Net Smelter Returns Royalty Agreements dated December 29, 2017.

Awalé has two leases in place, one administrative office in Abidjan and a project office in Bondoukou. The lease commitments are as follows:

	<b>2018</b>
	<b>\$</b>
Within one year	12,000
After one year	12,000

**10. Cash flows**

	<b>6 months ended June 30, 2018</b>	<b>6 months ended June 30, 2017</b>
	<b>\$</b>	<b>\$</b>
<i>(Gain)/Loss after income tax</i>	<b>(781,498)</b>	<b>(20,722)</b>
<i>Non cash flows in operating activities</i>		
Share based compensation	282,629	954
Foreign exchange	22,198	-
Depreciation	15,946	-
Contractual obligation payable interest	13,689	-
<i>Changes in assets and liabilities</i>		
Movement in receivables	74,419	(1,219)
Movement in payables	(163,130)	4,704
<b>Net cash used in operating activities</b>	<b>(535,747)</b>	<b>(16,283)</b>
<i>Current</i>		
Cash and cash equivalents	1,050,603	290,161
<i>Non-current</i>		
Cash deposit	5,521	-
<b>Total</b>	<b>1,056,124</b>	<b>290,161</b>

**11. Segment information**

The Company operates in one business segment being gold exploration in Côte d'Ivoire.

**12. Subsequent events**

No matters or circumstances have arisen since the period end which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years

## CORPORATE DIRECTORY

### ***Awalé Resources Limited***

#### *Directors & Management*

Ron Ho – Non-executive Director  
Derk Hartman – Non-executive Director  
Eric Roth – Non-executive Director  
Glen Parsons – Director & Chief Executive Officer  
Andrew Chubb – Chief Operating Officer  
Sharon Cooper – Chief Financial Officer

#### *Company Secretary*

Kathryn Witter  
Marketworks Inc  
8681 Clay Street, Mission  
British Columbia, CANADA

#### *Investor Relations*

Karen Davies  
+1 (604) 314 6270

#### *Principal place of business and registered office*

8681 Clay Street, Mission  
British Columbia, CANADA

#### **Auditor**

Ernst & Young  
The EY Centre  
Level 34  
200 George Street  
2000 Sydney  
phone: +61 2 9248 5555  
fax: +61 2 9248 5959

#### **Share Registry**

Computershare  
100 University Avenue  
11<sup>th</sup> floor, South Tower  
Toronto, Ontario  
CANADA

TSX V symbol : ARIC