AWALÉ RESOURCES LIMITED

Consolidated financial statements December 31, 2022

(expressed in United States dollars)

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Shareholders and Directors of Awale Resources Limited

Opinion

We have audited the consolidated financial report of Awale Resources Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the consolidated financial statements, which describes the principal events and conditions that indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
At 31 December 2022, the carrying value of the Group's exploration and evaluation assets ("E&E") was $5,244,175 relating to projects in Côte d'Ivoire. E&E assets are initially recognised at cost and any additional expenditure is capitalised to the E&E asset in accordance with the Group's accounting policy as outlined in Note 3. At each reporting date the Directors' assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with IFRS 6: *Exploration for and Evaluation of Mineral Resources* involved judgment, including whether; the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. An impairment charge of $7,279,302 impairment was recorded against the Group's Bondoukou asset during the period. Given the value of the E&E asset balance relative to total assets and the judgement involved in the assessment of indicators of impairment, we considered this to be a key audit matter.	Our audit procedures included the following: - Considered the Group's right to explore in the relevant exploration areas by obtaining and assessing relevant documentation such as license agreements; - Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration areas by reviewing the Group's exploration budgets and farm-in agreements; - Examined the Group's analysis of exploration and evaluation results relating to activities carried out in the relevant license areas, including an evaluation of drilling results; - Considered whether any other available data or information that indicated the carrying amount of the E&E assets is unlikely to be recovered in full, from either successful development or by sale; - Where indicators were identified, considered the appropriateness of the impairment testing undertaken and the impairment charge recorded by considering the early-stage nature of the project and lack of any observable market data points; - Cross checked the net asset balance against the market capitalisation of the Group; - Assessed the adequacy of the associated disclosures in the financial report.

Other information included in the 2022 Annual Report

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

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

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

We obtained Management's Discussion & Analysis and the Annual Report prior to the date of this auditor's report. 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 in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Siobhan Hughes.

Ernst & Young

Sydney, Australia
10 May 2023

Awalé Resources Limited
Consolidated Statement of Financial Position
(expressed in US dollars)

	Note	As at 31-Dec-22 $	As at 31-Dec-21 $
Assets			
Current			
Cash and cash equivalents		255,281	56,999
Receivables	5	207,701	16,574
Prepaid expenses and other current assets		26,810	25,527
Total current assets		**489,792**	**99,100**
Non-current			
Deposit		8,483	7,957
Property, plant and equipment	6	77,555	97,904
Exploration and evaluation	7	5,244,175	12,176,239
Total Non-current assets		**5,330,213**	**12,282,100**
TOTAL ASSETS		**5,820,005**	**12,381,200**
Liabilities			
Current			
Accounts payable and accrued liabilities	8	2,102,483	1,135,214
Provision	13	130,145	-
Total Current liabilities		**2,232,628**	**1,135,214**
Non-current			
Loan	12	29,519	31,662
Total Non-current liabilities		**29,519**	**31,662**
Shareholders' equity			
Capital stock	9	10,791,037	9,779,691
Reserves	10	5,942,250	6,124,270
Accumulated deficit		(13,176,573)	(4,694,310)
Non-controlling interest		1,144	4,673
Total Shareholders' equity		**3,557,858**	**11,214,324**
TOTAL LIABILITIES AND EQUITY		**5,820,005**	**12,381,200**

Should be read in conjunction with the notes to the consolidated financial statements

Awalé Resources Limited

Consolidated Statements of Loss and Other Comprehensive Loss

(expressed in US dollars)

Year ended		31-Dec-22 $	31-Dec-21 $
Other Income			
Interest revenue		5,978	21
		5,978	**21**
Expenses			
Salaries and directors' fees		(322,105)	(271,580)
Professional and consulting fees		(250,543)	(77,757)
Share based compensation	10	(197,057)	(605,779)
Office and regulatory expenses		(120,092)	(112,687)
Travel		(50,123)	-
Investor relations		(27,474)	(108,604)
Write off/provision - exploration expense	7	(7,279,302)	(487,186)
Project generation & write off exploration expenses	7	(239,689)	-
Depreciation	6	(16,095)	(28,460)
Foreign exchange gain/(loss)		14,239	(3,785)
Total expenses		(8,488,241)	(1,695,838)
Loss before income tax		**(8,482,263)**	**(1,695,817)**
Income Tax expense		-	-
Loss after income tax		**(8,482,263)**	**(1,695,817)**
Other Comprehensive Income/Loss *Items that may be reclassified in future years to the statement of loss:*			
Net movement in foreign currency translation reserves net of tax	10	(452,604)	(648,494)
Total comprehensive loss		**(8,934,867)**	**(2,344,311)**
Weighted average number of common shares outstanding		28,553,804	17,608,423
Basic and diluted loss per share	20	(0.30)	(0.10)
Attributable to:			
Equity holders of the parent		(8,931,338)	(2,343,440)
Non-controlling interest		(3,529)	(871)
		(8,934,867)	(2,344,311)

Should be read in conjunction with the notes to the consolidated financial statements

Awalé Resources Limited
Consolidated Statements of Changes in Equity
(expressed in US dollars)

	Capital stock (Note 9)	Accumulated Deficit	Reserves (Note 10)	Non controlling interests	TOTAL
	$	$	$	$	$
Balance, January 1, 2021	7,373,213	(2,998,493)	5,457,271	5,544	9,837,535
Loss	-	(1,695,817)	-	-	(1,695,817)
Foreign exchange movements	-	-	(648,494)	-	(648,494)
Total comprehensive loss	-	(1,695,817)	(648,494)	-	(2,344,311)
Transactions with owners in their capacity as owners:					
Issue of shares	3,206,372	-	(162,343)	-	3,044,029
Share issue costs	(65,172)	-	-	-	(65,172)
Shares to be issued	-	-	137,335	-	137,335
Warrant cost	(734,722)	-	734,722	-	-
Option cost	-	-	605,779	-	605,779
Movement in non -controlling interest	-	-	-	(871)	(871)
	2,406,478	-	1,315,493	(871)	3,721,100
Balance, December 31, 2021	**9,779,691**	**(4,694,310)**	**6,124,270**	**4,673**	**11,214,324**
Balance, January 1, 2022	**9,779,691**	**(4,694,310)**	**6,124,270**	**4,673**	**11,214,324**
Loss	-	(8,482,263)	-	-	(8,482,263)
Foreign exchange movements	-	-	(452,604)	-	(452,604)
Total comprehensive loss	-	(8,482,263)	(452,604)	-	(8,934,867)
Transactions with owners in their capacity as owners:					
Issue of shares – private placement	1,227,418	-	-	-	1,227,418
Share issue costs	(5,210)	-	-	-	(5,210)
Shares to be issued	-	-	(137,335)	-	(137,335)
Warrant cost	(210,862)	-	210,862	-	-
Option cost	-	-	197,057	-	197,057
Movement in non -controlling interest	-	-	-	(3,529)	(3,529)
	1,011,346	-	270,584	(3,529)	1,278,401
Balance, December 31, 2022	**10,791,037**	**(13,176,573)**	**5,942,250**	**1,144**	**3,557,858**

Awalé Resources Limited
Consolidated Statement of Cash Flows
(expressed in US dollars)

Year ended		31-Dec-22	31-Dec-21
		$	**$**
Cash flow from operating activities			
Interest received		365	21
Payments to suppliers and employees		(377,371)	(345,916)
Payments for project generation		(238,689)	-
Total cash outflows from operating activities	18	**(615,695)**	**(345,895)**
Cash flows from investing activities			
Payments for purchases of PP&E	6	(10,001)	(29,855)
Payments for exploration activities		(1,122,520)	(3,049,662)
Proceeds from earn -in – Newmont	7	873,842	-
Proceeds from earn -in – Newmont (management fee)	7	79,320	-
Total cash inflows/(outflows) from investing activities		**(179,359)**	**(3,079,517)**
Cash flows from financing activities			
Proceeds from issue of share capital and warrants	9	1,005,165	2,699,239
Proceeds from shares to be issued		-	137,335
Share issue costs	9	(5,210)	(65,172)
Lease payments		-	(4,382)
Total cash inflows from financing activities		**999,955**	**2,767,020**
Net increase/(decrease) in cash equivalents		204,901	(658,392)
Effect of fluctuations in exchange rate		(6,619)	69,018
Cash at the beginning of the period		56,999	646,373
Cash at the end of the year		**255,281**	**56,999**

Should be read in conjunction with the notes to the consolidated financial statements

1. Nature of operations

Awalé Resources Limited ("Awalé" or the "Company"), 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 and its subsidiaries (the "Group) are involved in mineral exploration in Côte d'Ivoire.

The principal place of business and registered office is 8681, Clay Street, Mission, British Columbia, Canada.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial report has also been prepared on a historical cost basis, except where stated otherwise.

The consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 were approved and authorized for issue by the Board of Directors on May 9, 2023.

Presentation currency

These consolidated financial statements are presented in United States dollars (US$) this differs to the Parent Company's functional currency which is Canadian Dollars (C$). The presentation currency differs from the Parent Company's functional currency, as the Company incurs expenditure in multiple currencies and the US$ is commonly used as a reference in the junior exploration sector. All amounts are expressed in US$ unless otherwise noted. Functional currencies of each entity are set out below. Refer Note 3.

3. Significant accounting policies and future accounting changes

The accounting policies set out below have been applied consistently to all years presented in these financial statements except as discussed in the section – "New Accounting Standards".

Basis of consolidation and functional currency

These 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 (C$)
Awalé Resources Limited	100.0%	Guernsey	United States dollar (US$)
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 ("ANGET")	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)

** in process of being closed down*

3. Significant accounting policies and future accounting changes (continued)

Foreign currencies
Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the statement of profit or loss and other comprehensive income (“OCI”).

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates 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 gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognized in or profit or loss, respectively).

Subsidiaries
On consolidation, the assets and liabilities of foreign operations are translated into US$ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Basis of consolidation
The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

Each Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary

Non-controlling interest
Non-controlling interest represents the minority shareholder’s portion of the profit or loss and net assets of subsidiaries and is presented separately in the statement of financial position and statement of loss and comprehensive loss. Losses within a subsidiary are attributable to the non-controlling interests even if that results in a deficit balance.

Cash and cash equivalents
Cash and cash equivalents consist of cash in bank and petty cash.

3. Significant accounting policies and future accounting changes (continued)

Property, plant and equipment
Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses.

Depreciation is calculated on following basis over the estimated useful lives of property, plant and equipment:

Office equipment, software and licenses	Straight line over 2 -5 years
Fixtures	Straight line over 10 years
Motor vehicles	Straight line over 3 years

Exploration and evaluation assets
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.

Farm-outs — in the exploration and evaluation phase
The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Company as a gain on disposal.

Impairment
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment:

(a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area.
(d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made.

3. Significant accounting policies and future accounting changes (continued)

Exploration and evaluation assets (continued)
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 value less costs of disposal (“FVLCTS”). 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.

Share capital
Share capital is classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Warrants
Proceeds from the issue of common share purchase warrants (“warrants”) treated as equity are recorded as a separate component of equity. Costs incurred on the issue of warrants are netted against proceeds. Warrants issued with common shares are measured at fair value at the date of issue using the Black-Scholes pricing model, which incorporates certain input assumptions including the warrant price, risk-free interest rate, expected warrant life and expected share price volatility. The fair value is included as a component of equity and is transferred from warrants to common shares on exercise

Reserves
Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their functional currency to the Group’s presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Share-based payments
The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. Expected forfeiture is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

3. Significant accounting policies and future accounting changes (continued)

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification and measurement:

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortized cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value plus transactions costs in the case of a financial asset not recorded at FVTPL.

Receivables at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment

De-recognition:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Impairment:

The Group recognises an allowance for estimated credit losses (ECLs) for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The expected credit loss is based on its historical credit loss experience in the past two years, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

Financial liabilities:

Recognition:
All financial liabilities are initially recognized at fair value less transactions costs in the case of a financial liabilities not recorded at FVTPL.

Classification and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as loans, borrowings and payables at amortised cost.

3. Significant accounting policies and future accounting changes (continued)

Financial Instruments (continued)

De-recognition:
The Group derecognizes its financial liabilities when its contractual obligations are discharged, cancelled or expire.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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 December 31 2022 and December 31, 2021, outstanding shares, stock options and warrants are anti-dilutive.

The calculation of basic and diluted EPS for all periods presented is adjusted retrospectively when the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue, or share split, or decreases as a result of a reverse share split. If such changes occur after the balance sheet date but before the financial statements are authorised for issue, the EPS calculations for those and any prior period financial statements presented are based on the new number of shares. The Company adjusted its calculation retrospectively for the effect of 8:1 share consolidation in the year ended December 31, 2021.

Contingent Liabilities
The Group does not recognize a contingent liability component in the cost of an asset, when an asset or a group of assets that do not constitute a business are acquired. Any subsequent payments made in relation to the contingent element are adjusted against the cost of the asset as incurred.

Employee benefits
Short-term employee benefit liabilities pertain to wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Going concern
These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Group 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 recorded a loss of $8.5 million and a comprehensive loss of $8.9 million for the year ended December 31, 2022. As at December 31, 2022, the Company is in a net current liability position of $1.7 million (2021:$1.0 million) including $2.1 million of trade creditors and employment payables (2021: $1.2 million). Cash on hand at year end was $255,281 (2021: $56,999) . Given the nature of the Group as an exploration entity, the Group does not generate profits or operating cash flows and therefore has historically been dependent on the capital markets to obtain funding.

3. Significant accounting policies and future accounting changes (continued)

Going concern (continued)

In June 2022 the Company entered into an earn-in agreement with Newmont Ventures Limited ("Newmont"). As described in note 7, this agreement will allow Newmont to earn-in to the Company's Odienné project by sole funding an agreed amount of exploration. This therefore means Odienné exploration and minimum expenditure commitments are funded for a period of greater than 12 month period, reducing Awalé's obligations in respect of this project while simultaneously advancing the exploration program. As operator of Odienné, Awalé cash calls Newmont in advance, making this project self-sufficient at present. Note 7 also describes that a provision for impairment has been recognized against all capitalized costs in respect of Bondoukou (contributing $7.3m to the accumulated deficit) to focus on Odienné. However, the Company retains the ability to find a Joint Venture partner, or to dispose of its interests in this project, therefore reducing the exploration expenditure commitment for the Company on this asset.

Notwithstanding the reduced exploration expenditure requirements, the Company continues to have corporate overheads to pay, primarily being salaries and wages, directors fees, professional fees, travel and listing costs. In the period from 31 December 2022 to the date of this report the Group has sought to conserve cash by reducing corporate activities where possible and to manage and repay existing trade creditors and employment payables where possible.

Management and the Directors continue to actively monitor the Group's liquidity and have reviewed its consolidated cashflow requirements. The Group's consolidated cashflow forecast shows the Group's current cash on hand is insufficient to meet its existing liabilities and minimum expenditure commitments for the 2023 financial year. The Group's current cash reserves are also insufficient to meet its planned corporate activities and working capital requirements.

Therefore, in order to continue to meet existing repayment obligations and fund general operating expenditure, the following events are in process and need to occur:

- As announced on April 25, 2023, Awalé has entered into a binding term sheet for CAD$1.5 million with Orefinders Resources Inc. consisting of 12,500,000 number of units. Each unit has a cost of C$0.12 and will include one share and one half warrant exercisable at $0.20. The expected closing date is on, or around, May 12, 2023.
- Concurrently, a brokered offering is also underway for a minimum of 6,250,000 units to raise CAD$750,000. Each unit will include one share and one half warrant. This is expected to occur concurrently, or shortly after the completion of the above placement.
- Awalé has also agreed to settle CAD$250,000 in existing employee payables in shares.
- Upon completion of the above, the Group intends to raise US$2-3 million in capital via additional share issuances and/or private placements over the coming six months. The Group has confidence in the ability to raise these funds on the back of the proposed transactions above, recent positive drilling results from Odienné, and its history of shareholder support and ability to raise funds in the capital markets.

The proceeds of these transactions will allow for the settlement of existing debts and will provide working capital to fund general operating expenditure over the coming 12 months.

In the interim, the Group continues to closely manage liquidity and relies on the financial support of its large creditors and employees which enables the Group to defer payments which would otherwise be due and payable.

Whilst the Group has plans to find a Joint Venture partner for the noncore Bondoukou project, the Group has no plans to wholly dispose of any of its interests in mineral exploration and development assets. However, should the above events not occur, the Group does retain the ability to do so if required. Based on the opportunities above, the Directors are satisfied that the continued application of the going concern basis of accounting is appropriate. However, the Directors acknowledge that the above share issuances are required in order to remain a going concern.

As such, a material uncertainty exists with regard to the ability of the Group to continue to operate as a going concern. Should the Group be unable to access further equity capital or execute any of other alternate funding arrangements, it will be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments that might be necessary should the Group not continue as a going concern.

3. Significant accounting policies and future accounting changes (continued)

New and amended accounting standards and interpretation adopted by the Group

The new and amended accounting standards and interpretations effective for the financial year ended 31 December 2022 have been adopted by the Group and there has been no material impact on adoption.

Accounting Standards and Interpretations issued but not yet effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
On January 23, 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. On July 15, 2020, the IASB issued an amendment to defer the effective date by one year. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that: - settlement of a liability includes transferring a company's own equity instruments to the counterparty, and - when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The Company is currently assessing the impact of the standard on the financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)
In February 2021, the IASB issued Definition of Accounting Estimates, which amends IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023, with earlier adoption permitted. The Company is currently assessing the potential impact of these amendments.

Deferred Tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specific circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2
On February 12, 2021, the IASB issued, Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) providing guidance intended to help preparers in deciding which accounting policies to disclose in their financial statements. IAS 1, "Presentation of Financial Statements" has been amended in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements
- and the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of what was outlined as a 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1

(expressed in USD)

3. Significant accounting policies and future accounting changes (continued)

Accounting Standards and Interpretations issued but not yet effective (continued)
The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. The Company is currently assessing the potential impact of these amendments.

4. Significant accounting judgements, estimates and assumptions

These financial statements have been prepared in accordance with Note 1 Basis of Preparation and requires the Company's management to make judgments, 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. 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.

Significant accounting judgement

Accounting for contingent consideration payable on an asset acquisition - In accounting for the cash component of contingent consideration payable on an asset acquisition, including future royalties, the Company considers IAS 37 Provisions, Contingent liabilities and Contingent Assets to be the applicable Accounting Standard. Accordingly, no obligation for the cash component of contingent consideration payable based on the future performance of the asset and actions of the Company is recognized at the date of purchase of the related asset

Key Estimates

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:

- *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. See Note 7.

- *Contractual obligation payable* - The Company has assessed the contractual obligation to Sandstorm as being more likely than not to not continue past 10 years from inception. Refer to Note 10 for further details.

5. Receivables

	2022 $	2021 $
Other receivable	16,707	9,919
GST Receivable	8,029	6,655
Receivable – Newmont Ventures Limited (i)	105,613	-
Receivable- Newmont Ventures Limited (ii)	77,352	-
	207,701	16,574

i) As part of the Exploration Agreement entered into with Newmont the Company advanced the minority interest holders $100,000. These funds are to be repaid by Newmont prior to December 31, 2023 and bears interest at a rate of US prime plus 4.5%. Refer to Note 7 for further details. This receivable was paid in full subsequent to the period ended December 31, 2022.

ii) The Company signed an Exploration Agreement with Newmont on June 15, 2022 which gives Newmont the right to fund exploration activities up to a pre-feasibility phase on the Odienné project in exchange for 51% interest in the project. Refer to Note 7 for further details. At December 31, 2022 the Company recognized a receivable for exploration costs incurred in the period ending December 31, 2022 which relate to the Odienné Project and are subject to funding by Newmont under the Exploration Agreement. Funds were received in January 2023 for these costs incurred.

As at 31 December 2022 no allowance for ECLs has been recognised (2021 – nil), as it is expected that all receivables will be received in full when due.

(expressed in USD)

6. Property, plant and equipment

2022	**Fixtures**	**Mobile equipment and parts**	**Motor vehicles**	**Software and licenses**	**TOTAL**
Gross carrying amount at cost	**$**	**$**	**$**	**$**	**$**
January 1, 2022	26,246	62,858	139,679	32,217	261,000
Additions	-	6,432	-	3,569	10,001
Foreign exchange movements	(1,500)	(2,920)	(7,984)	(1,781)	(14,185)
December 31, 2022	24,746	66,370	131,695	34,005	256,816
Accumulated depreciation and impairment					
January 1, 2022	(11,571)	(33,361)	(87,019)	(31,145)	(163,096)
Depreciation	(2,508)	(4,966)	(14,316)	(3,272)	(25,062)
Foreign exchange movements	619	1,822	4,731	1,725	8,897
December 31, 2022	(13,460)	(36,505)	(96,604)	(32,692)	(179,261)
Net book value 2022	**11,286**	**29,865**	**35,091**	**1,313**	**77,555**

2021	**Fixtures**	**Mobile equipment and parts**	**Motor vehicles**	**Software and licenses**	**TOTAL**
Gross carrying amount at cost	**$**	**$**	**$**	**$**	**$**
January 1, 2021	28,210	66,817	104,294	30,489	229,810
Additions	-	-	44,275	3,997	48,272
Foreign exchange movements	(1,964)	(3,959)	(8,890)	(2,269)	(17,082)
December 31, 2021	26,246	62,858	139,679	32,217	261,000
Accumulated depreciation and impairment					
January 1, 2021	(9,616)	(27,438)	(82,434)	(26,150)	(145,638)
Depreciation	(2,725)	(7,940)	(10,719)	(7,076)	(28,460)
Foreign exchange movements	770	2,017	6,134	2,081	11,002
December 31, 2021	(11,571)	(33,361)	(87,019)	(31,145)	(163,096)
Net book value 2021	**14,675**	**29,497**	**52,660**	**1,072**	**97,904**

(expressed in USD)

7. Exploration and evaluation assets

	Jan 1, 2022 $	Additions $	Earn-in recovery $	Earn-in recovery-management fee $	Write off/Provision $	Foreign exchange movement $	Dec 31, 2022 $
At cost							
Bondoukou	**6,973,003**	589,055	-	-	(7,279,302)	(282,756)	-
Odienné	**5,203,236**	1,221,113	(951,194)	(79,320)	-	(194,476)	5,199,359
Sienso	**-**	44,816	-	-	-	-	44,816
	12,176,239	**1,854,984**	**(951,194)**	(79,320)	**(7,279,302)**	**(477,232)**	**5,244,175**

	Jan 1, 2021 $	Additions $	Earn-in recovery $	Earn-in recovery-management fee $	Write off/Provision $	Foreign exchange movement $	Dec 31, 2021 $
At cost							
Bondoukou	**6,169,457**	1,135,624	-	-	-	(332,078)	6,973,003
Odienné	**3,807,613**	1,610,266	-	-	-	(214,643)	5,203,236
Abengourou	**360,010**	77,176	-	-	(420,145)	(17,041)	-
	10,337,080	**2,823,066**	**-**	**-**	**(420,145)**	**(563,762)**	**12,176,239**

Bondoukou
The Company's large district scale exploration project in Côte d'Ivoire, the Bondoukou project, consists of three permits: Bondoukou Est, Bondoukou Nord and Bondoukou Nord Est. These 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.

Due to the scale and financial commitment involved in exploring this project, and the current focus of the Company on the Odienné project, the Company recognised a provision of $7,279,302 over the Bondoukou project for the twelve months ending December 31, 2022. The Company is in discussions with a potential partner to joint venture the exploration work on this project but cannot guarantee the outcome at this juncture.

The expenditure commitments for Bondoukou as a whole at December 31, 2022 are disclosed in Note 17. These commitments will fall away if the Company returns the licenses.

Odienné
The Odienné licences, containing Awalé's most advanced asset and first gold discovery at its Empire prospect, lie in the north west of Côte d'Ivoire and consist of the granted 'Odienné East', and two licences in application; Odienné Ouest (adjacent to the granted Odienné East permit) and Zouan-Hounien (350km to the south). These licences are held under a separate agreement with ANGET with 90% being owned by Awalé Resources Limited. The Empire Prospect, with this gold discovery, prioritizes the Company's focus to extend mineralization with the ultimate aim of developing a maiden resource statement.

On June 15, 2022 the Company announced TSXV approval had been received for the exploration agreement with venture option ("Exploration Agreement") with Newmont in relation to the Company's Odienné Project in northwest Côte d'Ivoire.

(expressed in USD)

7. Exploration and evaluation assets (continued)

Key Terms of Exploration Agreement

The Exploration Agreement gives Newmont the ability to fund exploration activities up to a pre-feasibility phase on the following basis:

- Phase 1 Newmont can earn a 51% interest in the Odienné Project by:
  - Sole Funding US$5 million in exploration expenditures within three years of the effective date of the Exploration Agreement.
  - The Odienné Project will be operated by Awalé during this time.

- Phase 2- Newmont may earn an additional 14% interest for a total of a 65% interest in the Odienné Project by:
  - Funding a further US$10 million in exploration expenditure, and
  - Defining a minimum 2-million-ounce gold resource.
  - Newmont has the option to elect to become project manager upon commencement of Phase 2.
  - Phase 2- Newmont may acquire an additional 10% interest, not held by Awalé, for a total of a 75% interest in the Odienné Project:

To facilitate the earn-in agreement, Awalé advanced the minority holders $100,000. These funds are to be repaid by Newmont prior to December 31, 2023 and bears interest at a rate of US prime plus 4.5%. Refer to Note 5.

- Post-Phase 2
  - Awalé may maintain its 25% project interest by funding its proportionate cost of a feasibility study on the Odienné Project and development of a mine. In the event Awalé elects not to fund then Awalé can dilute down to a net 15% and effectively be carried to production on the following basis:
    1. Dilute by an additional 5%, if the Company elects not to contribute its pro rata share of expenditures in connection with the preparation of a feasibility study for the Property; and
    2. Dilute an additional 5%, if the Company elects to have Newmont pay the Company's share of expenditures necessary to bring the Property into commercial production.

Effective from June 1, 2022 the Company is accounting for this agreement as a farm-out arrangement. Refer to Note 3 for accounting policy. The Company expensed $6,092 in the Statement of Profit or Loss for twelve months ending December 31, 2022 ,in line with its accounting policy as these costs occurred outside of the Newmont exploration agreement.

The Company has recognized a receivable for the balance due to be recovered from Newmont at the end of December 31, 2022 relating to expenditure made under the Exploration Agreement. This was paid subsequent to the period as part of the Q1 2023 cash call funded by Newmont.

Reconciliation of earn-in recovery is detailed below:

	2022 **$**
Earn-in recovery received	873,842
Earn -in recovery received - management fee	79,320
Receivable – due from Newmont (refer Note 5)	77,352
	1,030,514

(expressed in USD)

7. Exploration and evaluation assets (continued)

Sienso

Awalé entered into an option to purchase agreement with Turaco Gold Limited (”Turaco”) over the PR 840 "Sienso" permit. The Sienso permit covers 326 sq km and borders the eastern flank of the Odienné Newmont Corporation Joint Venture project.

On July 29, 2022, TSXV approval was given to the transaction and Awalé made an option payment to Turaco equal to C$57,471 (US$44,816) by way of issuing shares at an agreed price of C$0.197. Upon the successful renewal of the permit PR840 in 2023, and subject to Awalé wishing to proceed with the 100% acquisition of PR840, Awalé will issue Turaco 680,715 Awalé shares as final payment. The shares will be issued at an agreed price today of C$0.197 for value C$134,100 subject to Exchange approval.

Abengourou

The Company relinquished this license in the twelve months ending December 31, 2021 and all previously capitalized exploration expenditure was written off and the Company is no longer capitalizing any costs in relation to this project.

Other- project generation

During the period ending December 31, 2022 the Company recorded $17,298 in the Statement of Profit or Loss in costs related to the potential acquisition of exploration assets located in Suriname. This acquisition did not proceed, and all costs associated with the potential acquisition were expensed. The Company also incurred costs of $216,299 as it continued to have operations in Cote d’Ivoire and looked for additional opportunities outside of its current projects in Cote d’Ivoire. These costs have been expensed to the Statement of Profit or Loss for the period ending December 31, 2022.

The Group has potential commitments in relation to its Bondoukou and Odienné properties. Refer to Note 17 for details of these commitments.

8. Accounts Payable and Accrued Liabilities

	2022 $	2021 $
Trade creditors and accruals	1,472,100	694,329
Employment payables	436,517	319,252
Social obligation payables	179,218	117,577
Other creditors	14,648	4,056
	2,102,483	**1,135,214**

Trade creditors and accruals are unsecured and are generally on terms of 30 days. The Company is relying on the financial support of its larger creditors and employees which enables the Group to defer payments which would otherwise be due and payable.

(expressed in USD)

9. Capital stock

The Company is authorized to issue ordinary shares.

		Number of shares	$
January 1, 2021		124,069,152	7,373,213
Issue of shares- private placement	(i) & (iii)	54,862,933	2,699,239
Issue of shares- Sandstorm	(ii)	1,478,747	162,343
Issue of shares- shares for services	(iv)	6,374,263	344,790
Warrant cost		-	(734,722)
Share issue costs		-	(65,172)
Effect of share consolidation (8:1)	(v)	(163,436,957)	-
December 31, 2021		**23,348,138**	**9,779,691**
Issue of shares- private placement	(vi) & (vii)	7,265,494	1,142,500
Issue of shares- shares for services	(iv)	218,249	40,102
Issue of shares- Turaco acquisition	(viii)	291,735	44,816
Warrant cost	(vi)	-	(210,862)
Share issue costs	(vi)	-	(5,210)
December 31, 2022		**31,123,616**	**10,791,037**

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 shares which are subject to escrow and hold provisions. 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.

(i) On April 27, 2021, the Company closed the first tranche of the private placement announced on March 31, 2021, The first tranche comprised 17,207,200 units at a price of $0.05 (C$0.06) for gross proceeds of $839,591 (C$1,032,430). Each Unit consisted of one common share and one-half share purchase warrant; each whole share purchase warrant will be exercisable at a price of C$0.12 ($0.10).

(ii) On April 29,2021, the Company settled its annual payment obligation with Sandstorm, with 1,478,747 number of shares being issued.

(iii) On May 13, 2021, the Company announced it had completed the second tranche of its non-brokered private placement for 37,655,733 units at a price of $0.05 (C$0.06) per unit raising gross proceeds of $1,859,648 (C$2,259,344). The units consist of one common share and one-half share purchase warrant each whole warrant entitling the holder to acquire one additional common share at a price of C$0.12 ($0.10) per share until expiry on May 13, 2023, to purchase a common share of the Company until expiry 24 months from issuance. The Company recorded against equity warrant cost of $734,722 (including broker warrant cost of $30,851). In connection with the financing the Company paid an aggregate $65,172 in fees and issued an aggregate 1,345,504 finders warrants to eligible finders for a cost of $30,851 which was recorded against equity for the twelve months ended December 31, 2021. The finders' warrants are subject to the same terms and conditions as the unit warrants.

(iv) Pursuant to the Memorandum of Understanding (MoU") with Geodrill Limited (TSX: GEO "Geodrill") as announced April 12, 2021, the Company has issued the following shares in settlement of drilling services:

- May 26, 2021, 2,732,964 shares totalling $119,117.
- June 30, 2021, 2,223,016 shares totalling$143,745.
- July 30, 2021, 1,121,270 shares totalling $65,232.
- September 20, 2021, 297,013 shares totalling $16,696; and
- January 6, 2022, 218,249 shares totalling $40,102.

The number of shares issued is based on the fair value of services received.

(expressed in USD)

9. Capital stock (continued)

(v) On November 10, 2021, the Company announced the directors had approved a consolidation of its common shares on the basis of one new common share for every eight outstanding shares. On December 1, 2021, the Company received approval for its share consolidation on a 8:1 basis which became effective on December 6, 2021. Immediately post consolidation the Company had 23,348,138 common shares issued and outstanding including rounding for fractional shares.

(vi) On March 25, 2022, the Company announced that it had completed the 1st tranche of its non-brokered private placement as announced March 22, 2022, for 4,032,500 units at a price of $0.16 (C$0.20) per unit raising gross proceeds of $642,500 (C$806,500) and incurred share issue costs of $5,210. The proceeds of the Offering to be used for ongoing exploration expenditure on its Odienné project in Côte D'Ivoire and for general overheads, working capital and operating expenses. The units consist of one common share and one-half share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at a price of $0.32 (C $0.40) per share until expiry on March 24, 2024.

(vii) On June 15, 2022, the Company announced it had finalized its non-brokered placement with Newmont and issued 3,232,994 units at a price of $0.16 (C$0.197) raising gross proceeds of $500,000 (C$ 636,900). The proceeds of the Offering to be used for ongoing exploration expenditure on the Company's Côte d'Ivoire projects. All securities issued under the Offering are subject to a hold period trading restriction which will expire on October 16, 2022. As a result of the Offering, Newmont has become an insider of the Company having acquired 10.49% of the Company's current issued and outstanding shares.

(viii) On July 29, 2022 the Company issued 291,735 shares at $0.15 (C$0.197) as an Option Payment to Turaco as a result of the signing of an option to purchase agreement with Turaco over the PR 840 "Sienso" permit in Côte d'Ivoire.

10. Reserves

	Option Reserve	Warrant Reserve	FCTR	Other Reserve	Deferred equity	TOTAL
	$	$	$	$	$	$
January 1, 2022	**1,219,539**	**4,278,833**	**(455,325)**	**943,888**	**137,335**	**6,124,270**
Warrant cost	-	210,862	-	-	-	210,862
Option cost	197,057	-	-	-	-	197,057
Shares issued	-	-	-	-	(137,335)	(137,335)
Foreign exchange difference	-	-	(452,604)	-	-	(452,604)
December 31, 2022	**1,416,596**	**4,489,695**	**(907,929)**	**943,888**	**-**	**5,942,250**

(expressed in USD)

10. Reserves (continued)

	Option Reserve	Warrant Reserve	FCTR	Other Reserve	Deferred equity	TOTAL
	$	$	$	$	$	$
January 1, 2021	613,760	3,544,111	193,169	1,106,231	-	**5,457,271**
Shares to be issued	-	-	-	-	137,335	**137,335**
Warrant cost	-	734,722	-	-	-	**734,722**
Option cost	605,779	-	-	-	-	**605,779**
Shares issued	-	-	-	(162,343)	-	**(162,343)**
Foreign exchange difference	-	-	(648,494)	-	-	**(648,494)**
December 31, 2021	**1,219,539**	**4,278,833**	**(455,325)**	**943,888**	**137,335**	**6,124,270**

(a) Warrants

On November 10, 2021, the Company announced the directors had approved a consolidation of its common shares on the basis of one new common share for every eight outstanding shares. The number of warrants outstanding at December 31, 2021 and exercise price per warrant have been adjusted for the consolidation on a 8:1 basis.

A summary of the Company's warrants is presented below:

		Number of warrants	Weighted average exercise price $
Balance January 1, 2021		**50,064,662**	**0.12**
Issued	(i) & (ii)	28,776,973	0.10
Expired		(5,647,222)	0.32
Effect of share consolidation		(64,045,111)	-
Balance December 31, 2021		**9,149,302**	**0.80***
Issued	(iii)	2,016,250	0.32
Balance December 31, 2022		**11,165,552**	**0.71**

**adjusted retrospectively for impact of share consolidation*

(i) On April 27, 2021, the Company issued 8,603,600 warrants with an expiry date of April 27, 2023 in connection with the first tranche of the private placement completed on April 27, 2021.

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

Risk free rate	2.0%
Expected volatility	145%
Expected life	2 years
Share price on date of grant	$0.05
Exercise price	C$0.12 ($0.10)
Expected dividend	nil

(ii) On May 13, 2021, the Company issued 20,173,373 warrants (including 1,345,504 broker warrants) with an expiry date of May 13, 2023 in connection with the second tranche of the private placement completed on May 13, 2021.

10. Reserves (continued)

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

Risk free rate	2.0%
Expected volatility	145%
Expected life	2 years
Share price on date of grant	$0.05
Exercise price	C$0.12 ($0.10)
Expected dividend	nil

(iii) On March 24, 2022, the Company issued 2,016,250 warrants with an expiry date of March 24, 2024 in connection with the first tranche of the private placement completed on March 22, 2022. The Company recorded a warrant cost of $210,862 against equity for the twelve months ending December 31, 2022.

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

Risk free rate	2.13%
Expected volatility	293%
Expected life	2 years
Share price on date of grant	$0.15
Exercise price	C$0.40 ($0.32)
Expected dividend	nil

(b) Options

On November 10, 2021, the Company announced the directors had approved a consolidation of its common shares on the basis of one new common share for every eight outstanding shares. The number of options outstanding at December 31, 2021 and the exercise price per option have been adjusted for the consolidation on a 8:1 basis.

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

		Number of options	Weighted average exercise price $
Balance January 1, 2021		7,380,000	0.22
Issued	(i)	8,500,000	0.10
Expired		(2,330,000)	0.28
Effect of share consolidation		(11,856,250)	-
Balance December 31, 2021		**1,693,750**	**1.04***
Balance December 31, 2022		**1,693,750**	**0.31**

**adjusted for impact of share consolidation*

During the year ended December 31, 2022 1,062,500 number of options fully vested (2021:631,250).

(i) On May 13, 2021, the Company announced that the Board has granted an aggregate 4,200,000 stock options to employees and consultants and an additional aggregate 4,300,000 stock options to directors and officers of the Company with an exercise price of C$0.12 ($0.10). All options are subject to a one-year vesting period, after which they become exercisable, and have a 3 year term with an expiry date of May 14, 2024. The Company recorded a cost of $156,293 for the twelve months ending December 31, 2022 (2021: $251,760). This cost will fluctuate each period as the cost is recognized over the vesting period of the options issued.

(expressed in USD)

10. Reserves (continued)

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

Risk free rate	2.%
Expected volatility	145%
Expected life	3
Share price on date of grant	$0.07
Exercise price	$0.10
Expected dividend	-

(ii) On March 22, 2022, the Company announced the Board of Directors, had approved the repricing of a total of 1,693,750 stock options of the Company from previously C$2.00 and C$0.96 to C$0.40 ($0.31) per common share. The repricing of the 825,000 options for employees was approved by the TSXV on April 27,2022 with an incremental cost of $21,918 being recorded in the Statement of Profit or Loss for the twelve months ending December 31, 2022. The repricing of the remaining 868,750 stock options held by insiders of the Company was subject to the approval of disinterested shareholders of the Company at the Company's annual general meeting held on November 7, 2022. As a result, an incremental cost of $18,846 was recorded in the Statement of Profit or Loss in the twelve months ending December 31, 2022.

(iii) At the Annual General Meeting, shareholders of the Company approved the Company's proposed new restricted share unit plan (the "RSU Plan"). Restricted share units ("RSUs") granted under the RSU Plan will rise and fall in value based on the value of the Shares. Unlike Options, RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Share following the attainment of vesting criteria determined at the time of the award.

The RSU Plan is a fixed plan pursuant to which the number of Shares that may be issued pursuant to RSUs granted under the RSU Plan is fixed at 457 859; provided, however, that the total number of Shares which may be issued pursuant to RSUs and Options granted under the Amended Option Plan is a maximum of 10% of the issued and outstanding Shares at the time of grant.

The Company has reserved up to a maximum of 457,859 (adjusted for 8;1 share consolidation). Shares for issuance upon the redemption of RSUs granted under the RSU Plan, representing approximately 1.96% of the Company's issued and outstanding Shares; and when combined with the maximum number of Shares which may be reserved for issuance under all other security-based compensation arrangements of the Company shall not exceed 10% of the total number of Shares issued and outstanding from time to time. Each RSU will vest in such manner as determined by the Board of Directors or the Committee at the time of grant with settlement of RSUs being on the vesting date, the Company at its sole and absolute discretion have the option of settling the RSUs in cash (if applicable) or Shares to be issued from the treasury of the Company. The cost of the RSU will be recorded as a share-based payment on granting of the RSUs.

(c) Other reserve

The Company has a contractual obligation in relation to its acquisition of Awalé and Aforo on December 29, 2017. This contractual obligation is a share-based payment as the Company will issue equity instruments in exchange for the acquisition of assets.

On April 29,2021 the Company delivered to Sandstorm C$200,000 (US$162,343), calculated under the renegotiated criteria (see below) consisting of 1,478,747 shares at a price of C$0.13 (US$0.11).

During the period ended December 31, 2019, the Company renegotiated the annual payments due under the agreement with Sandstorm. Annual payments will now become due by applying the following criteria:

- No annual payment due if market capitalization of the Company is less than C$10 million on the anniversary date of payment.
- Annual payment of C$200,000 due if market capitalization is between C$10 million and C$20 million on the anniversary date of payment; and
- Annual payment of C$400,000 due if market capitalization is above C$20 million on the anniversary date of payment.

10. Reserves (continued)

The Company has an obligation to make annual deferred payments (subject to the newly agreed criteria detailed above) on each anniversary of the acquisition of the projects for up to 15 years, payable in cash or shares at the Company's election, until commercial production is achieved on one of the subsidiaries' projects, or certain other events occur which are further described in detail below:

The Company is required to make the annual payments referred to above until the earlier of:
- the date on which commercial production is achieved on the applicable project.
- if the Company has announced a mineral resource on one of the projects, the date that is 15 years after the Closing Date;
- the date that is 10 years after the Closing Date if a mineral resource has not been announced on the applicable project by such date;
- the date on which the Company makes a pre-payment in respect of a particular project in accordance with the provisions described below; and
- the date on which the Company transfers a project back to Sandstorm in accordance with the provisions described below.

The annual payments described above are payable in Company Shares, however the Company may elect to make a payment in cash. If the payments are made in Company Shares, the number of shares to be issued will be based on a price per Company Share equal to the greater of: (i) the 20-day trailing volume weighted average trading price of the Company Shares on the Exchange as at the due date for the applicable payment; and (ii) the minimum price that is acceptable to the Exchange.

Pursuant to the Awalé Acquisition Agreement, the Company may, at any time after the fifth anniversary of the Closing, elect to cease to make annual payments in respect of any or all of the projects by making a payment in cash in respect of such project or projects to Sandstorm as follows:
- in respect of the Bondoukou Project, C$2,250,000.
- in respect of the Odienné Project, C$375,000.

In addition, the Company may, at any time after the Closing, elect to cease to make annual payments in respect of all or any of the projects by transferring the applicable project or projects back to Sandstorm, either by way of the transfer of shares of the subsidiary or subsidiaries that hold(s) the applicable project or projects or by way of transfer of the licenses and license applications comprising the project or projects. In the twelve months ending December 31, 2021 the Company relinquished the Abengourou project.

In 2017 management assessed that the contractual obligation period will not extend beyond 5 years having taken into consideration the above factors and therefore originally determined the fair value on the grant date based on the net present value of its obligation over a 5 year period, using an average discount rate of 1.86%.

The Company reassesses the most likely outcome of this share based payment transaction at each reporting date. With respect to Bondoukou and Odienné, the obligation is expected to extend 10 years from the original agreement (4.5 years from December 2022). Where relevant the measurement of the transaction is revised using the original fair value determined at the date the Company gained control of the assets.

The Company will assess the impact on the obligation payable balance when an outcome over the Bondoukou joint venture discussions are known.

No balance is payable under the terms of the amended agreement for the year ended December 31, 2022.

d) **Deferred equity**

At December 31, 2021, the Company received $137,335 in advance of the closure of the private placement on March 22, 2022.

(expressed in USD)

11. Income Taxes

Reconciliation between income tax expense and loss before income tax:	2022 $	2021 $
Net loss before income taxes for the year	(8,482,263)	(1,695,817)
Expected tax recovery at a combined federal and provincial rate on 26.0%	(2,205,389)	(440,912)
Non-deductible and other differences	1,965,046	202,199
Unrecognised tax losses and deferred tax assets	152,028	235,685
Effect of foreign exchange gains and losses	88,315	3,028
Income tax expense	-	-

The significant deferred income tax balances are as follows:

Non capital losses carried forward	873,124	773,424
Share issuance costs	13,709	11,059
Other	11,326	12,148
Effect of foreign exchange gains and losses	57,621	3,722
Net deferred tax assets not recognised	**955,780**	**800,351**

As at December 31, 2022 the Company had $3,358,170 (2021: $2,325,667) of non-capital loss carry forwards available to reduce taxable income for future years.

The Company operates in various jurisdictions and is subject to any reviews or audits undertaken by local tax authorities in these jurisdictions.

12. Loan

	2022 $	2021 $
Loan	29,519	31,662
Balance December 31, 2022	**29,519**	**31,662**

The following table sets out the movements in the loan during the period:

	2022 $	2021 $
Balance January 1, 2022	31,662	-
Loan – CEBA	-	31,416
Foreign exchange movement	(2,143)	246
Balance December 31, 2022	**29,519**	**31,662**

(expressed in USD)

12. Loan (continued)

In April 2020, the Company received C$40,000 as part of the Bank of Montreal's Canada Emergency Business Account ("CEBA") program introduced as part of the Canadian Government's COVID-19 relief measures. The Company entered into an interest-free loan of C$40,000 with the Bank of Montreal, guaranteed by the Government of Canada, to help cover operating costs for businesses which may have been impacted by COVID-19.

During the period the Government of Canada revised payments terms. The Government program payment terms are now as follows:

- Interest:
  - 0% per annum interest until December 31, 2023
  - 5% per annum interest starting on January 1, 2024;
- Repayments & Maturity:
  - No principal repayment required before December 31, 2023
  - If loan remains outstanding after December 31, 2023, only interest payments required until full principal is due on December 31, 2025.
- Debt Forgiveness:
  - If the outstanding principal, other than the amount of potential debt forgiveness (25%), is repaid by December 31, 2023, the remaining principal amount will be forgiven, provided that no default under the loan has occurred.

The repayment of the loan will be through the Bank of Montreal, not the Canadian Government.

13. Provision

During the year ended December 31, 2022 the Company underwent a tax audit of its subsidiaries based in Cote d'Ivoire by the Directorate General of Taxation (Ivorian tax authority) for the financial years ending 2019, 2020 and 2021. As a result of the audit, the Ivorian tax authority identified some local transactions that it believes attract a 1% withholding tax ("WH tax"). The Company does not believe this tax is applicable and intends to contest the findings of the tax department However, due to the uncertainty over the outcome, the Company has recorded a provision for the amounts identified by the tax authority related to the years subjected to the tax audit and for transactions that fall into the category identified by the tax authorities for the year ending December 31, 2022 (which has not yet been subject to a tax audit).

Current	**2022** **$**	**2021** **$**
Provision for WH tax	130,145	-
	130,145	**-**

(expressed in USD)

14. Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

As at December 31, 2022	**Cash**	**Receivables**	**Other liabilities**	**Total carrying amount**	**Total fair value**
	$	**$**	**$**	**$**	**$**
Assets					
Cash and cash equivalents	255,281	-	-	255,281	255,281
Receivables	-	182,965	-	182,965	182,965
	255,281	**182,965**	**-**	**438,246**	**438,246**
Liabilities					
Accounts payable and accrued liabilities	-	-	1,099,548	1,099,548	1,099,548
Loan	-	-	29,519	29,519	29,519
	-	**-**	**1,129,067**	**1,129,067**	**1,129,067**

As at December 31, 2021	**Cash**	**Receivables**	**Other liabilities**	**Total carrying amount**	**Total fair value**
	$	**$**	**$**	**$**	**$**
Assets					
Cash and cash equivalents	56,999	-	-	56,999	53,999
Receivables	-	-	-	-	-
Liabilities					
Accounts payable and accrued liabilities	-	-	519,220	519,220	519,220
Loan	-	-	31,662	31,662	31,662
	-	-	550,882	550,882	550,882

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

(expressed in USD)

15. Financial risk management

The activities of the Company expose them to a variety of financial risks that arise as a result of their exploration, development and financing activities, including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors of the Company oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's' cash and cash equivalents. The Company holds its key operational bank accounts with reputable banks of international financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting their financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms The Company expects to settle its financial liabilities within normal trading terms.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at December 31, 2022

	Less than 3 months	3 to 12 months	1 to 5 years	Total
Accounts payables and accrued liabilities	1,099,548	-	-	1,099,548
Loan	-	-	29,519	29,519

As at December 31, 2021

	Less than 3 months	3 to 12 months	1 to 5 years	Total
Accounts payables and accrued liabilities	519,220	-	519,220	519,220
Loan	-	-	31,662	31,662

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income or the value of its financial instruments.

Foreign currency risk
Foreign currency risk is the risk that the Company financial performance will be affected by fluctuations in the exchange rates between currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expenses are denominated in currencies other than the respective functional currencies). The Company manages this foreign currency risk by matching payments in the same currency and monitoring movements in exchange rates.

15. Financial risk management (continued)

The following table details balances held and subject to foreign currency movements as at December 31, 2022 (balances expressed in US$):

Currency of balance	**CAD**	**AUD**	**GBP**	**CFA**
2021 Net exposure	(82,266)	(56,023)	4,624	(738,774)
2022 Net exposure	**(240,512)**	**(266,574)**	**(285)**	**(724,814)**

At December 31, 2022 with other variable remaining unchanged, a +/- 10% change in exchange rates would increase/decrease pre-tax loss of $136,909 (2021: $87,193).

The Company does not use derivatives to manage the exposure to foreign exchange risk.

Capital management

Capital of the Company consists of capital stock and deficit. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern so it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to it in light of changes in economic conditions.

The Board of Directors of the Company has not established quantitative return on capital criteria for management, but rather relies on the expertise of the management to sustain the future development of the Company. In order to facilitate the management of their capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

The Company's principal source of capital is from the issue of ordinary shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

(expressed in USD)

16. Related party transactions

a) Related party transactions

For the twelve months ended December 31, 2022 the Company incurred employment costs and fees to directors and officers, or to companies associated with these individuals as follows:

	2022 $	2021 $
Non-executive directors' fees (i)	58,333	60,000
Special committee fees (i)	50,000	-
CEO fees & entitlements (ii)	101,058	103,525
COO fees & entitlements	180,000	180,000
Accounting fees – CFO services (iii)	55,067	54,858
Company secretarial fees (iv)	32,644	31,731
Share based payment	77,783	320,517
	554,885	**750,631**

(i) Includes fees paid/payable to DH Mining Advisory Services, a company owned by D. Hartman
(ii) Includes an amount paid/payable to Parsons Capital Superfund - a superannuation fund controlled by G. Parsons
(iii) Amount paid/payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(iv) Amount paid/payable to Marketworks Pty Ltd – a company controlled by K Witter

In addition to the above the Company's related parties includes intercompany loan balances with its subsidiaries as set out in Note 3. These balances are eliminated on consolidation.

b) Related party balances owing

	2022 $	2021 $
CEO fees & expense reimbursement (i)	95,663	27,559
COO fees & expense reimbursement	167,586	70,000
Non-executive fees & expense reimbursement (ii)	74,573	45,000
Special committee fees (ii)	50,000	-
Accounting fees – CFO services & expense reimbursement (iii)	55,355	24,693
Company- secretarial fees & expense reimbursement (iv)	31,350	9,626
	474,527	**176,878**

(i) Includes an amount paid/payable to Parsons Capital Superfund - a superannuation fund controlled by G. Parsons
(ii) Includes an amount payable DH Mining Advisory Services, a company owned by D. Hartman
(iii) Amount payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(iv) Amount payable to Marketworks Pty Ltd – a company controlled by K Witter

Amounts are unsecured and payable in cash.

(expressed in USD)

16. Related party transactions (continued)

Compensation of key management personnel

The Company considers its officers and directors to be key management personnel. Transactions with key management personnel for the twelve months ended December 31, 2022, are set out below:

	2022	2021
	$	$
Short term benefits (i) & (ii)	358,837	361,262
Short term benefits- Non-executive directors' fees (iv)	58,333	60,000
Short-term benefits- Special committee fee (iv)	50,000	-
Post - employment benefits (iii)	9,932	8,852
Share based payment benefits	77,783	320,517
	554,885	**750,631**

(i) Includes an amount paid/payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(ii) Includes an amount paid/payable to Marketworks Inc. – a company controlled by K Witter
(iii) Amount paid/payable to Parsons Capital Superfund - a superannuation fund controlled by G.Parsons
(iv) Includes fees paid/payable DH Mining Advisory Services, a company owned by D. Hartman for non-executive director fees

17. Commitments and contingencies

The Company has the following commitments and contingencies. Payment is contingent on the continued operations based on successful exploration results at its properties:

Payment	Condition
Contingent payments	
US$1,845,000 (2021: US1,845,000)	Payable to original ANGET partners upon the Company making a decision to mine in respect of the First Grant of the Odienné property, 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.
Resource milestone payments to a maximum US$3,500,000 (2021:US$3,500,000)	Payable to Awalé Holdings a resource milestone payment, in accordance with the Share Purchase Agreement dated January 13,2017, of: • US$0.50 per ounce of reported gold Mineral Resources for any Mineral Resource delineated up to the first one million ounces; and • US$1.00 per ounce of reported gold Mineral Resources for any Mineral Resource delineated over the first one million ounces; and • a catch-up payment of US$0.50 per ounce of reported gold Mineral Resources for any Mineral Resource ounces that were delineated prior to the delineation of a Mineral Resource greater than one million ounces, All subject to a maximum of US$3.5 million.
US$800,000	Payable to Newoka Resources upon the Bondoukou project changing from an exploration license to a mining license with intent of commercial production.
Commitment payments	
Total CFA 2,685,026,124 (US$4,390,555) at December 31, 2022 (2021: CFA 2,002,411,021 (US$3,472,856))	Minimum exploration spend commitment within the next three years at the following properties: Bondoukou,project CFA 1,714,116,466 (US$2,802,923) Odienné project CFA 970,909,698 (US1,587,632)

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.

(expressed in USD)

18. Cash flows

	As at December 31, 2022	As at December 31, 2021
	$	$
(Gain)/Loss after income tax	**(8,482,263)**	(1,695,817)
Non cash flows in operating activities		
Exploration and evaluation write off	7,279,302	487,186
Share based compensation	197,057	605,779
Foreign exchange loss/(gain)	(14,239)	3,785
Depreciation	16,095	28,460
Interest	(5,978)	-
Changes in assets and liabilities		
Movement in receivables	(107,582)	1,163
Movement in prepayments	(1,283)	16,489
Movement in payables	503,196	207,060
Net cash used in operating activities	**(615,695)**	(345,895)

19. Segment information

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

As the Company is focused on exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by project. The internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

20. Loss per Share

Loss per share amounts are calculated by dividing the net loss attributable to shareholders for the year by the weighted-average number of shares outstanding during the year.

		2022	2021
Net loss attributable to equity holders	$	(8,482,263)	(1,695,817)
Basic and diluted weighted number of shares	No.	28,553,804	17,628,423*
Basic and diluted loss per shares attributable to equity holders of the parent	$	**(0.30)**	**(0.10)***

** Updated for the effect of the 8:1 share consolidation*

All outstanding shares, options and warrants are considered anti-dilutive and have been excluded from the diluted weighted average number of common shares.

21. Subsequent events

Subsequent to the period end, the Company announced the signing of a binding term sheet (the " Term Sheet ") with Orefinders Resources Inc. (" Orefinders "), on April 24, 2023. The Term Sheet outlines the key terms and conditions for a proposed transaction between the two companies (the " Transaction ").

The Transaction will, among other things, include a private placement offering of 12,500,000 units of the Company (the " Non-Brokered Units ") at a price of C$0.12 per Non-Brokered Unit (the " Issue Price ") for aggregate gross proceeds to the Company of C$1,500,000 (the " Non-Brokered Offering"). Each Non-Brokered Unit will consist of one common share in the authorized share structure of the Company (a " Common Share ") and one-half of one Common Share purchase warrant (each whole warrant, a " Warrant "). Each Warrant will be exercisable to acquire one Common Share (a " Warrant Share ") for a period of 36 months following the closing of the Non-Brokered Offering at a price of C$0.20 per Warrant Share.

The Term Sheet sets out the key terms of the Non-Brokered Offering, including the Issue Price for the Non-Brokered Units, the expected closing date on, or around, May 12, 2023 (the " Closing Date "), and the conditions that must be satisfied prior to closing. The closing of the Transaction is subject to satisfaction of customary closing conditions, including regulatory approvals including acceptance of the TSX Venture Exchange (the " TSXV "). Pursuant to the Transaction and in addition to the Non-Brokered Offering, the Company agreed to at closing of the Transaction: (1) enter into an investor rights agreement granting Orefinders the right to nominate two directors to the board of directors of the Company (the " Board ") for so long as Orefinders owns at least 10% of the issued and outstanding Common Shares calculated on a partially diluted basis; (2) enter into an advisory agreement with an affiliate of Orefinders (the " Advisor ") for a term of 12 months whereby Awalé will pay the Advisor an advisory fee of C$10,000 per month for the provision of advisory services for corporate restructuring, marketing, and liquidity purposes and, if Awalé requests, advice on and assistance in facilitating future financing rounds; and (3) issue options to the restructured Board, including to the two newly-appointed directors, exercisable at a price of C$0.12 per Common Share (or such price as may be permitted by the TSXV) for a period of five years.

The Company also announced that the terms of the best efforts brokered financing (the " Brokered Offering ") with Beacon Securities Limited (" Beacon ") previously announced in the Company's news releases of January 30 and April 4, 2023 have been amended. The Brokered Offering will now consist of a minimum of 6,250,000 units of the Company (the " Brokered Units ") at the Issue Price of C$0.12, for aggregate gross proceeds to the Company of C$750,000. Each Brokered Unit will consist of one Common Share and one-half of one Warrant, at a price per Warrant Share of C$0.20 for a period of 36 months from the Closing Date, subject to adjustment in certain events. The Brokered Offering is expected to be completed concurrently with the Non-Brokered Offering. The closing of the Brokered Offering is conditional upon the closing of the Non-Brokered Offering.

The Company has also granted Beacon an option, exercisable in whole or in part at any time up to 48 hours prior to the closing of the Brokered Offering, to offer an additional 6,250,000 Brokered Units at the Issue Price. Proceeds from the Non-Brokered Offering and the Brokered Offering (together, the " Offerings ") will be used for exploration and development expenditures at the Company's projects in Côte d'Ivoire, settlement of certain payables and general working capital purposes.

Additionally, the Company also announces that it intends to settle certain outstanding accounts payable in the aggregate amount of C$250,000 owing to certain directors, officers and consultants of the Company through the issuance of 2,083,333 Common Shares (the " Settlement Shares ") at a deemed price of C$0.12 per Settlement Share (the " Shares for Debt Transaction ").

Subject to approval of the TSXV, the Company will pay finders' fees in Common Shares to finders in connection with the Transaction. Refer to January 24, 2023, news release for the details of the cash fee payable, compensation options and corporate finance Units issuable to Beacon under the Brokered Offering. All securities issued under the Offerings and Shares for Debt Transaction, and any underlying securities that may be issuable pursuant thereto, will be issued on a prospectus-exempt basis and will be subject to a hold period of four months from the date of issuance.

.

CORPORATE DIRECTORY

Awalé Resources Limited

Directors & Management

Robin Birchall – Chairperson – Non-executive director (appointed November 29, 2022)

Derk Hartman – Non-executive Director

Eric Roth – Non-executive Director

Ron Ho- Non-executive Director (resigned November 7, 2022)

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 AUSTRALIA

phone:	+61 2 9248 5555
fax:	+61 2 9248 5959

Share Registry

Computershare
100 University Avenue
11th floor, South Tower
Toronto, Ontario
CANADA