

AWALÉ RESOURCES LIMITED

Condensed interim consolidated financial statements June 30, 2026 and June 30, 2025

(expressed in United States dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of Awalé Resources Ltd. Awalé Resources Ltd's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor

Awalé Resources Limited**Condensed Interim Consolidated Statements of Financial Position**

(expressed in US dollars)

(unaudited)

		As at 30-Jun-26 \$	As at 31-Dec-25 \$
Assets			
Current			
Cash		14,882,979	11,935,657
Receivables	5	4,663,436	237,022
Prepaid expenses and other current assets		427,188	314,201
Total current assets		19,973,603	12,486,880
Non-current			
Deposit		7,379	-
Property and equipment	6	476,503	449,422
Exploration and evaluation assets	7	9,569,498	8,598,931
Total Non-current assets		10,053,380	9,048,353
TOTAL ASSETS		30,026,983	21,535,233
Liabilities			
Current			
Accounts payable and accrued liabilities	8	7,852,796	3,565,297
Provision	11	31,451	32,416
Total Current liabilities		7,884,247	3,597,713
Equity			
Capital stock	9	35,141,071	26,432,292
Reserves	10	7,116,013	10,345,108
Accumulated deficit		(20,206,593)	(18,989,575)
Non-controlling interest		92,245	149,695
Total equity		22,142,736	17,937,520
TOTAL LIABILITIES AND EQUITY		30,026,983	21,535,233

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

Awalé Resources Limited

Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss

(expressed in US dollars)
(unaudited)

		For the three months ended		For the six months ended	
		30-Jun-26	30-Jun-25	30-Jun-26	30-Jun-25
		USD	USD	USD	USD
Other Income					
Other income		66,027	49,728	119,357	97,843
		66,027	49,728	119,357	97,843
Expenses					
Salaries and directors' fees		(127,876)	(163,911)	(255,938)	(281,379)
Share based payments	10	(124,045)	(35,123)	(248,190)	(74,532)
Professional and consulting fees		(154,699)	(208,967)	(217,819)	(253,210)
Investor relations		(53,837)	(70,343)	(126,739)	(140,832)
Travel		(35,669)	(22,715)	(103,358)	(58,955)
Office and regulatory		(39,921)	(25,353)	(99,208)	(72,632)
Project generation exploration expenses	7	(56,081)	-	(117,763)	-
Foreign exchange (loss)/gain		(170,525)	11,440	(98,408)	(927)
Depreciation	6	(36,240)	(29,700)	(68,952)	(58,902)
Total expenses		(798,893)	(544,672)	(1,336,375)	(941,369)
Loss before income tax		(732,866)	(494,944)	(1,217,018)	(843,526)
Income tax expense		-	-	-	-
Loss after income tax		(732,866)	(494,944)	(1,217,018)	(843,526)
Other Comprehensive Income/Loss					
<i>Items that may be reclassified in future years to the statement of loss</i>					
Net movement in foreign currency translation reserve net of tax	10	212,990	902,180	291,608	1,052,840
Total comprehensive loss		(519,876)	407,236	(925,410)	209,314
Weighted average number of common shares outstanding		113,818,639	91,061,094	109,417,961	89,014,006
Basic and diluted loss per share	18	(0.01)	(0.01)	(0.01)	(0.01)
<i>Attributable to :</i>					
Equity holders of the parent		(520,001)	538,727	(867,960)	344,825
Non-controlling interest		125	(131,491)	(57,450)	(135,511)
		(519,876)	407,236	(925,410)	209,314

Awalé Resources Limited
Condensed Interim Consolidated Statements of Changes in Equity
(continued)
(expressed in US dollars)
(unaudited)

	Capital stock (Note 9)	Accumulated Deficit	Reserves (Note 10)	Non controlling interests	TOTAL
	\$	\$	\$	\$	\$
Balance December 31, 2024	20,057,194	(16,976,990)	9,036,023	43,349	12,159,576
Loss	-	(843,526)	-	-	(843,526)
Foreign exchange movements	-	-	1,052,840	-	1,052,840
Total comprehensive loss	-	(843,526)	1,052,840	-	209,314
Share issue costs	(172,286)	-	-	-	(172,286)
Issue of shares- private placement	6,000,000	-	-	-	6,000,000
Issue of shares- option payment	285,342	-	-	-	285,342
Issue of shares- options exercise	110,705	-	(54,178)	-	56,527
Option cost	-	-	18,186	-	18,186
RSU cost	-	-	56,346	-	56,346
Movement in non-controlling interest	-	-	-	(135,511)	(135,511)
	6,223,761	-	20,353	(135,511)	6,108,604
Balance June 30, 2025	26,280,955	(17,820,516)	10,109,217	(92,162)	18,477,494
Loss	-	(1,169,059)	-	-	(1,169,059)
Foreign exchange movements	-	-	22,554	-	22,554
Total comprehensive loss	-	(1,169,059)	22,554	-	(1,146,505)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares- warrants exercise	10,654	-	(2,371)	-	8,283
Issue of shares- options exercise	67,140	-	(21,598)	-	45,542
Issue of shares- restricted share units exercise	73,542	-	(73,542)	-	-
Restricted share unit cost	-	-	77,112	-	77,112
Option cost	-	-	334,885	-	334,885
Movement in non-controlling interest	-	-	(144,345)	241,857	97,512
rounding	1	-	-	-	-
	151,337	-	213,337	241,857	606,531
Balance December 31, 2025	26,432,292	(18,989,575)	10,345,108	149,695	17,937,520

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

Awalé Resources Limited

Condensed Interim Consolidated Statements of Changes in Equity (continued)

(expressed in US dollars)

(unaudited)

	Capital stock (Note 9)	Accumulated Deficit	Reserves (Note 10)	Non controlling interests	TOTAL
	\$	\$	\$	\$	\$
Loss	-	(1,217,018)	-	-	(1,217,018)
Foreign exchange movements	-	-	291,608	-	291,608
Total comprehensive loss	-	(1,217,018)	291,608	-	(925,410)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares- warrants exercise	8,682,587	-	(3,749,967)	-	4,902,620
Issue of shares- options exercise	27,635	-	(18,926)	-	8,709
Financing costs	(1,443)	-	-	-	(1,443)
Restricted share unit cost	-	-	74,262	-	74,262
Option cost	-	-	173,928	-	173,928
Movement in non-controlling interest	-	-	-	(57,450)	(57,450)
	8,708,779	-	(3,520,703)	(57,450)	5,130,626
Balance June 30, 2026	35,141,071	(20,206,593)	7,116,013	92,245	22,142,736

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

Awalé Resources Limited

Condensed Interim Consolidated Statements of Cash Flows

(expressed in US dollars)

(unaudited)

Six months ended		30-Jun-26	30-Jun-25
		\$	\$
Cash flow from operating activities			
Interest received		119,357	97,843
Payments to suppliers and employees		(601,368)	(860,480)
Total cash outflows from operating activities	16	(482,011)	(762,637)
Cash flows from investing activities			
Payments for exploration activities	7	(11,268,371)	(4,816,269)
Proceeds from earn -in – Newmont	7	9,083,180	5,173,220
Proceeds from earn -in – Newmont (management fee)	7	598,160	337,605
Payments for purchases of PP&E	6	(111,096)	-
Total cash inflows/(outflows) from investing activities		(1,698,127)	694,556
Cash flows from financing activities			
Proceeds from issue of options & warrants	9	4,951,202	56,121
Share issue costs	9	(1,443)	(26,822)
Proceeds from issue of share capital		-	6,000,000
Proceeds from loan repayment		-	449
Total cash inflows from financing activities		4,949,759	6,029,748
Net increase/(decrease) in cash		2,769,621	5,961,667
Effect of fluctuations in exchange rate		177,701	408,695
Cash at the beginning of the period		11,935,657	6,973,497
Cash at the end of the period		14,882,979	13,343,859

Supplemental information with respect to cash flows (Note 16)

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

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025

(expressed in USD)

(unaudited)

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. The Company’s shares are traded on the TSX Venture Exchange (“TSXV”) under the symbol “ARIC” and OTCQX (“OTCQX”) under the symbol of “AWLRF”.

The Company and its subsidiaries (together referred to as the “Company” or the “Group”) are involved in mineral exploration in Côte d’Ivoire.

The principal place of business is Suite 1102, 141 Adelaide Street W, Toronto, Ontario and the registered office is 133 Melville Street, Suite 2700, Vancouver, British Columbia, Canada.

2. Basis of preparation

These condensed interim consolidated financial statements for the three and six months ended June 30, 2026, and June 30, 2025 (“interim financial statements”) have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements of the Company and its subsidiaries for the three and six months ended June 30, 2026, were approved and authorized for issue by the Board of Directors on August 31, 2026.

Presentation currency

These condensed interim consolidated financial statements are presented in United States dollars (US\$), this differs to the parent company’s functional currency which is Canadian Dollars (C\$). All amounts are expressed in US\$ unless otherwise noted. Functional currencies of each entity are set out below. Refer Note 3.

3. Material accounting policy information 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 and Amended Accounting Standards and Interpretations”.

Basis of consolidation and functional currency

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

Entity	Ownership percentage	Country of incorporation	Functional currency
Awalé Resources Limited (the Company)	-	Canada	Canadian Dollar (C\$)
Awalé Resources Limited	100.0%	Guernsey	United States dollar (US\$)
Awalé Resources (SARL)	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 (“Aforo”)	100.0%	Côte d’Ivoire	West African CFA franc (CFA)
Awale Management Services SARL	100%	Côte d’Ivoire	West African CFA franc (CFA)

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information 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 recognized 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 recognized 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 condensed 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.

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.

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information and future accounting changes (continued)

Property and equipment

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

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

Mobile equipment and parts, 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 assets, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation assets. 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 assets 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 assets.

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 assets 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 recognize any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalized 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 capitalized 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.

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information 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 assets 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

The Company allocates the proceeds received upon issue of equity units, consisting of shares and warrants, using a relative fair value method with respect to the measurement of shares and warrants issued. The relative fair values method requires each component to be valued at fair value and an allocation of the net proceeds received based on the pro-rata fair relative values of the components. The fair value of the warrant component is determined using the Black-Scholes pricing model. Warrants issued to brokers for services provided are measured at fair value at the date of issue using the Black-Scholes pricing model. The Black-Scholes pricing model 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.

On reassessment of the contractual obligation payable the Group has recorded a revaluation and recognized a revaluation 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. Restricted share units (RSUs) are measured at the fair value of the shares at the grant date as these are settled through the issuance of shares. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date.

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information 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 amortized 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 recognized as a separate asset or liability.

Impairment:

The Group recognizes 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, recognizes 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 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 amortized cost.

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information 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 June 30, 2026, and June 30, 2025 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 capitalization, 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 authorized for issue, the EPS calculations for those and any prior period financial statements presented are based on the new number of shares.

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 assets 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 recognized 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.

Cash

Cash comprise cash at banks and on hand.

For the purpose of the statement of cash flows, cash consists of the following:

- Cash at bank and on hand

The Company's cash is held with financial institutions with high credit ratings, and the carrying amount approximates their fair value.

Awalé Resources Limited
Notes to the Condensed Interim Consolidated Financial Statements
June 30, 2026 and June 30, 2025
(expressed in USD)
(unaudited)

3. Material accounting policy information and future accounting changes (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to apply the recognition exemptions permitted for:

- Short-term leases, being leases with a lease term of 12 months or less and which do not contain a purchase option; and
- Leases of low-value assets, where applicable.

For these leases, the Company does not recognise right-of-use assets or lease liabilities on the statement of financial position. Instead, lease payments are recognised as an expense on a straight-line basis over the lease term.

Lease payments associated with short-term leases are recognised within profit or loss as follows:

- Where directly attributable to exploration activities, within exploration and evaluation expenditures; or
- Otherwise within general and administrative expenses, as appropriate.

As at June 30, 2026 the Company's lease arrangements are short-term in nature and accordingly no right-of-use assets or lease liabilities have been recognised.

Going concern

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the 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 \$1.2 million and a comprehensive loss of \$0.92 million for the period ended June 30, 2026. As at June 30, 2026, the Company is in a net current asset position of \$12.1 million (2025: \$8.9 million net current asset). Cash on hand at period end was \$14.9 million (2025: \$11.9 million). 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.

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 by Newmont, 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.

The Group's consolidated cashflow forecast shows the Group's current cash on hand is sufficient to meet its existing liabilities and minimum expenditure commitments for the 2026 financial year. The Group's current cash reserves are sufficient to meet its planned corporate activities and working capital requirements.

New and Amended Accounting Standards and Interpretations adopted by the Group

The Group applied certain standards and amendments for the first time. The adoption of new standards and amendments effective January 1, 2026 did not have a material impact on the Group's condensed interim consolidated financial statements. The Group has not adopted any other standards, interpretations, or amendments that have been issued but are not yet effective.

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4. Significant accounting judgements, estimates and assumptions

These condensed interim consolidated financial statements have been prepared in accordance with Note 2 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 assets* - 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 Royal Gold Inc ("Royal Gold") as being more likely than not to continue 15 years from inception. Refer to Note 10 for further details.
- *Share based payments – RSUs* - The recognition of share-based payment expense for RSUs involves significant judgement in assessing the probability of vesting conditions being satisfied and the timing over which the associated expense is recognised. Refer note 10.

5. Receivables

	2026	2025
	\$	\$
Other receivables	189,450	5,628
GST Receivable	30,219	54,437
Receivable- Newmont Ventures Limited (i)	4,443,767	176,957
	4,663,436	237,022

- (i) 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 June 30, 2026 the Company recognized a receivable balance for exploration costs incurred in the period ending June 30, 2026 which relate to the Odienné Project and are subject to funding by Newmont under the Exploration Agreement. The balance of the receivable was receipted subsequent to June 30, 2026

As at June 30, 2026, no allowance for ECLs has been recognized (2025 – nil), as it is expected that all receivables will be received in full when due.

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6. Property and equipment

		Mobile equipment and parts	Motor vehicles	Software and licenses	TOTAL
2026	Fixtures				
Gross carrying amount at cost	\$	\$	\$	\$	\$
January 1, 2026	71,271	415,340	179,862	188,711	855,184
Additions	62,652	129,917	-	-	192,569
Earn in recovery	(62,652)	(18,821)	-	-	(81,473)
Foreign exchange movements	(2,123)	(14,349)	(5,357)	(5,440)	(27,269)
June 30, 2026	69,148	512,087	174,505	183,271	939,011
Accumulated depreciation					
January 1, 2026	(30,799)	(90,643)	(140,142)	(144,178)	(405,762)
Depreciation*	(2,426)	(26,163)	(12,839)	(27,524)	(68,952)
Foreign exchange movements	666	1,752	4,912	4,876	12,206
June 30, 2026	(32,559)	(115,054)	(148,069)	(166,826)	(462,508)
Net book value 2026	36,589	397,033	26,436	16,445	476,503
	Fixtures	Mobile equipment and parts	Motor vehicles	Software and licenses	TOTAL
2025	\$	\$	\$	\$	\$
Gross carrying amount at cost					
January 1, 2025	30,190	375,495	125,636	62,982	594,303
Additions	40,853	37,842	41,809	151,148	271,652
Earn-in recovery	(3,823)	(19,599)	(4,442)	(57,575)	(85,439)
Write off	-	(16,217)	-	-	(16,217)
Foreign exchange movements	4,051	37,819	16,859	32,156	90,885
December 31, 2025	71,271	415,340	179,862	188,711	855,184
Accumulated depreciation					
January 1, 2025	(16,770)	(54,879)	(112,385)	(43,388)	(227,422)
Depreciation *	(11,245)	(43,982)	(12,102)	(91,623)	(158,952)
Write off	-	16,217	-	-	16,217
Foreign exchange movements	(2,784)	(7,999)	(15,655)	(9,167)	(35,605)
December 31, 2025	(30,799)	(90,643)	(140,142)	(144,178)	(405,762)
Net book value 2025	40,472	324,697	39,720	44,533	449,422

***Note** A portion of depreciation is capitalized as an Odienné Project exploration and evaluation cost and is therefore not recorded as depreciation expense in the Statement of Loss and Comprehensive Loss. Such capitalized depreciation is included in costs subject to earn-in recovery

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7. Exploration and evaluation assets

	Jan 1, 2026	Additions	Earn-in recovery	Earn-in recovery-management fee	Foreign exchange movement	Jun 30, 2026
	\$	\$	\$	\$	\$	\$
At cost						
Odienné	5,496,312	13,948,151	(13,154,991)	(793,160)	(102,175)	5,394,137
Sienso	2,969,767	1,027,538	-	-	(87,218)	3,910,087
Seydou	86,943	87,344	-	-	(4,200)	170,087
Samataguila	45,909	51,636	-	-	(2,358)	95,187
	8,598,931	15,114,669	(13,154,991)	(793,160)	(195,951)	9,569,498

	Jan 1, 2025	Additions	Earn-in recovery	Earn-in recovery-management fee	Foreign exchange movement	Dec 31, 2025
	\$	\$	\$	\$	\$	\$
At cost						
Odienné	5,090,403	11,392,238	(11,582,972)	(414,847)	1,011,490	5,496,312
Sienso	187,917	2,666,943	-	-	114,907	2,969,767
Seydou	-	83,007	-	-	3,936	86,943
Samataguila	-	43,830	-	-	2,079	45,909
	5,278,320	14,186,018	(11,582,972)	(414,847)	1,132,412	8,598,931

Odienné

The Odienné licenses lie in the northwest of Côte d'Ivoire and consist of the granted 'Odienné East', and two licenses in application; Odienné Ouest (adjacent to the granted Odienné East permit) and Zouan-Hounien. These licenses are held under a separate agreement with ANGET with 90% being owned by Awalé Resources Limited.

During the year ended December 31, 2022, the Company entered into an exploration agreement with venture option ("Exploration Agreement") with Newmont in relation to the Company's Odienné Project in northwest Côte d'Ivoire.

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:
- 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:

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7. Exploration and evaluation assets (continued)

- i. 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
- ii. 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.

On May 15, 2024, Newmont had progressed to Phase 2 of the Earn-In agreement over the Odienné Joint Venture Project.

On October 15, 2024 Newmont Ventures Limited provided notice of its intention to acquire the 10% minority equity interest in the Odienné Joint Venture (JV) Project in Côte d'Ivoire.

The Company is accounting for this agreement as a farm-out arrangement. Refer to Note 3 for accounting policy.

Reconciliation of the earn in recovery to date is detailed below:

	2026	2025
	\$	\$
Opening balance	20,577,483	9,185,246
Earn in recovery received	9,083,180	11,007,832
Earn in recovery received - management fee	598,160	414,847
Receivable due from Newmont/unacquitted funds – movement	4,266,809	(30,442)
Closing balance	34,525,632	20,577,483

During the period ended June 30, 2026, the Company received \$9,681,340 (2025: \$11,422,679) in Newmont earn-in funds including a management fee \$598,160 (2025: \$414,847). The Company has received a total of \$30,081,866 (including management fee) (2025: \$20,400,525) of Newmont earn-in funds to date. The Company has recorded a receivable balance of \$4,443,767 (2025: \$176,957) in relation to exploration costs incurred in the period ending June 30, 2026. Refer to Note 5. Subsequent to the period end the receivable balance has been received.

Earn-in funding is presented gross in the cash flow statement, while expenditures are capitalised net of recoveries in exploration and evaluation assets.

Reconciliation of the receivable funds is detailed below:

	2026	2025
	\$	\$
Opening balance	176,957	207,399
Earn in recovery received	(9,083,180)	(11,007,832)
Earn in recovery received – management fee	(598,160)	(414,847)
Earn in recovery - acquitted	13,948,151	11,392,238
rounding	(1)	(1)
Closing balance (refer Note 5)	4,443,767	176,957

Sienso

Awalé entered into an option to purchase agreement with Turaco Gold Limited ("Turaco") over the PR 840 "Sienso" permit.

Seydou

The 100% Awalé owned Seydou permit (PR992) was granted in April 2025 and covers an area of 390 sq km. This property is located adjacent to the Odienné project in the northwest of Côte d'Ivoire.

Samatiguila ("Sama")

The 100% Awalé owned Sama permit (PR991) was granted in April 2025 and covers an area of 296 sq km and is located adjacent to the Odienné project in the northwest of Côte d'Ivoire.

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7. Exploration and evaluation assets (continued)

Other- project generation/ exploration expenses

During the period ending June 30, 2026, the Company recorded \$117,763 in general exploration costs. (2025: \$nil). These costs relate to certain in-country exploration support and administrative costs incurred in support of the Group's exploration activities are expensed as incurred where such costs cannot be directly attributed to specific exploration and evaluation assets without the use of subjective allocation methodologies.

8. Accounts payable and accrued Liabilities

	2026	2025
	\$	\$
Trade creditors and accruals	7,009,405	2,880,016
Employment & tax payables	664,938	523,987
Social obligation payables	178,453	161,294
	7,852,796	3,565,297

Trade creditors and accruals are unsecured and are generally on terms of 30 days.

9. Capital stock

The Company is authorized to issue ordinary shares.

		Number of shares	\$
January 1, 2025		86,797,502	20,057,194
Issue of shares- options exercised	(i)	675,000	110,705
Issue of shares- private placement	(ii)	15,037,593	6,000,000
Share issue costs	(ii)	-	(172,286)
Issue of shares- acquisition cost	(iii)	680,715	285,342
June 30, 2025		103,190,810	26,280,955
Issue of shares- options exercised	(i)	250,000	67,140
Issue of shares- warrants exercised	(iv)	57,000	10,654
Issue of shares- RSUs issued	(v)	230,000	73,542
December 31, 2025		103,727,810	26,432,292
Issue of shares- options exercised	(vi)	100,000	27,635
Issue of shares- warrants exercised	(vii)	15,169,121	8,682,587
Share issue costs		-	(1,443)
June 30, 2026		118,996,931	35,141,071

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.

- (i) During the year ended December 31, 2025, the Company issued 925,000 common shares on exercise of 925,000 options at a weighted average exercise price of C\$0.164 (\$0.11) for gross proceeds of C\$144,000 (\$103,274).
- (ii) On June 9, 2025, the Company issued 15,037,593 common shares of the Company price of C\$0.55 (\$0.399) per share for aggregate gross proceeds of \$8,188,924 (\$6,000,000) in connection with the private placement. The Company paid \$172,285 in shares issuance costs.
- (iii) On June 13, 2025 the Company issued 680,715 common shares to Turaco as a final option payment in relation to the Sienso permit. Note 7
- (iv) During the year ended December 31, 2025, the Company issued 57,000 common shares on exercise of 57,000 warrants at a weighted average exercise price of C\$0.20 (\$0.15) for gross proceeds of C\$11,400 (\$8,094).
- (v) On September 18, 2025 the Company issued 230,000 common shares on vesting of 230,000 RSUs.
- (vi) During the period ended March 31, 2026, the Company issued 100,000 shares on exercise of 100,000 options at a weighted average price C\$0.12 (\$0.09) for gross proceeds of C\$12,000 (\$8,709).
- (vii) During the period ended June 2026 the Company issued 15,169,121 shares on exercise of 15,169,121 warrants at a weighted average price C\$0.45 (\$0.33) for gross proceeds of C\$6,771,893 (\$4,951,202).

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10. Reserves

	Option Reserve	Warrant Reserve	FCTR	Other Reserve	Revaluation Reserve	RSU Reserve	TOTAL
	\$	\$	\$	\$	\$	\$	\$
January 1, 2025	2,067,606	6,681,259	(652,035)	190,377	717,748	31,068	9,036,023
Exercise of options	(54,178)	-	-	-	-	-	(54,178)
Option cost	18,186	-	-	-	-	-	18,186
RSU cost	-	-	-	-	-	56,346	56,346
Foreign exchange difference	-	-	1,052,840	-	-	-	1,052,840
June 30, 2025	2,031,614	6,681,259	400,805	190,377	717,748	87,414	10,109,217
Exercise of options	(21,598)	-	-	-	-	-	(21,598)
Exercise of warrants	-	(2,371)	-	-	-	-	(2,371)
Option cost	334,885	-	-	-	-	-	334,885
RSU cost	-	-	-	-	-	77,112	77,112
RSUs vested	-	-	-	-	-	(73,542)	(73,542)
Foreign exchange difference	-	-	22,554	-	-	-	22,554
Non controlling interest	-	-	(101,149)	-	-	-	(101,149)
December 31, 2025	2,344,901	6,678,888	322,210	190,377	717,748	90,984	10,345,108
Exercise of options	(18,926)	-	-	-	-	-	(18,926)
Exercise of warrants	-	(3,749,967)	-	-	-	-	(3,749,967)
Option cost	173,928	-	-	-	-	-	173,928
RSU cost	-	-	-	-	-	74,262	74,262
Foreign exchange difference	-	-	291,608	-	-	-	291,608
June 30, 2026	2,499,903	2,928,921	613,818	190,377	717,748	165,246	7,116,013

(i) Warrants

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

	Number of warrants	Weighted average exercise price \$
January 1, 2025	19,725,116	0.35
June 30, 2025	19,725,116	0.35
Exercised	(57,000)	0.15
December 31, 2025	19,668,116	0.35
Exercised	(15,169,121)	0.33
Expired	(3,044,636)	0.58
June 30, 2026	1,454,359	0.20

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10. Reserves (continued)

(ii) Options

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

	Number of options	Weighted average exercise price \$
Balance January 1, 2025	7,081,667	0.21
Exercised	(675,000)	0.09
Cancelled/expired	(200,000)	0.33
Balance June 30, 2025 outstanding	6,206,667	0.22
Issued (vi)	3,330,000	0.39
Exercised	(250,000)	0.33
Cancelled/expired	(50,000)	0.09
Balance December 31, 2025 outstanding	9,236,667	0.28
Exercised	(100,000)	0.09
Cancelled/expired	(150,000)	0.39
Balance June 30, 2026 outstanding	8,986,668	0.28
Balance June 30, 2026 exercisable	6,800,009	0.25
Balance December 31, 2025 exercisable	6,883,334	0.25

- (i) On May 24, 2023, the Company granted incentive stock options under the Company's stock option plan to directors, officers and certain employees, including to the newly appointed directors, to purchase up to 3,605,000 Common Shares exercisable at a price of C\$0.12 (\$0.09) per common share for a period of five years. 2,725,000 stock options issued vested immediately. The balance of 880,000 stock options are subject to vesting conditions; 33.33% vested on date of grant and 33.33% will vest every 12-month anniversary. An amount of \$nil was recognized in the Statement of Loss or Comprehensive Loss for the period ending June 30, 2026 (2025: \$4,644) in relation to the options subject to vesting conditions.

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

Risk free rate	3.34%
Expected volatility	131%
Expected life	5 years
Share price on date of grant	C\$0.13 (\$0.09)
Exercise price	C\$0.12 (\$0.09)
Expected dividend	nil

- (ii) On February 6, 2024, the Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants to purchase up to 350,000 Common Shares exercisable at an exercise price of C\$0.12. (\$0.09) a period of five years. These options are subject to vesting conditions: 33.33% vested on date of grant and 33.33% will vest every 12-month anniversary. A cost of \$378 was recognized in the Statement of Loss or Comprehensive Loss for the period ended June 30, 2026 (2025:\$2,525).

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

Risk free rate	4.07%
Expected volatility	135%
Expected life	3.5 years
Share price on date of grant	C\$0.11 (\$0.08)
Exercise price	C\$0.12 (\$0.09)
Expected dividend	nil

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10. Reserves (continued)

- (iii) On September 17, 2024, the Company granted incentive stock options under the Company's stock option plan to directors, officers and certain employees to purchase up to 3,535,000 Common Shares exercisable at a price of C\$0.44 (\$0.32) per common share for a period of three years. 3,335,000 stock options granted vested immediately. The balance of 200,000 stock options are subject to vesting conditions; 33.33% vested on date of grant and 33.33% will vest every 12-month anniversary. A cost of \$3,790 was recognized in the Statement of Loss or Comprehensive Loss for the period ended June 30, 2026 (2025 :\$11,017).

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

Risk free rate	2.98%
Expected volatility	134%
Expected life	1.5 – 2.5 years
Share price on date of grant	C\$0.44 (\$0.32)
Exercise price	C\$0.43 (\$0.33)
Expected dividend	nil

- (iv) On September 18, 2025, the Company granted incentive stock options under the Company's stock option plan to directors, officers and certain employees to purchase up to 3,330,000 Common Shares exercisable at a price of C\$0.54 (\$0.39) per common share for a period of three years. 1,110,000 stock options issued vested immediately. The balance of 2,220,000 stock options are subject to vesting conditions; 33.33% vested on date of grant and 33.33% will vest every 12-month anniversary. A cost of \$169,760 was recognized in the Statement of Loss or Comprehensive Loss for the period ended June 30, 2026 (2025 :\$nil)

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

Risk free rate	2.49%
Expected volatility	102%
Expected life	2 years
Share price on date of grant	C\$0.53 (\$0.39)
Exercise price	C\$0.54 (\$0.39)
Expected dividend	nil

(iii) 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 is more likely to issue equity instruments in exchange for the acquisition of assets.

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

- 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\$25,000 due if market capitalization is between C\$10 million and C\$20 million on the anniversary date of payment; and
- Annual payment of C\$50,000 due if market capitalization is above C\$20 million on the anniversary date of payment.

These payments have been adjusted to remove payments related to the Abengourou and Bondoukou projects following their relinquishment. Refer below for further details.

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

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10. Reserves (continued)

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 by making a payment in cash in relation to the remaining project, the Odienné Project, of C\$375,000 to Sandstorm.

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. During the year ending December 31, 2021, the Company relinquished the Abengourou project. On October 25, 2023, the Company advised Sandstorm under the Share Purchase Agreement dated May 25, 2020, of its intention to relinquish the project permits associated with Bondoukou back to Sandstorm. Sandstorm has elected not to assume management of these permits. It has been acknowledged by both parties that there will be no ongoing obligations with respect to the relinquishment. On April 25, 2024, the Company formally advised the Cote d'Ivoire Director General of Mines of its relinquishment of the Bondoukou permits.

The Company reassesses the most likely outcome of this share-based payment transaction at each reporting date. Given the current period developments being the formal notification of relinquishment of the Bondoukou permits and the exploration results released in relation to the Odienné project during the year ending December 31, 2024; the obligation is expected to extend to 15 years from the original agreement. Management updated the calculation of the transaction based on the revised scenario and recognized \$226,140 (C\$353,233) being the present value of annual payments related to the Odienné project and recorded \$717,748 in the revaluation reserve following this reassessment during the year ending December 31, 2024.

In October 2025 Royal Gold Inc ("Royal Gold") acquired SSL and the obligation has been transferred to Royal Gold.

(iv) Restricted Share Unit Reserve ("RSU")

At the Annual General Meeting on September 17, 2024, 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.

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10. Reserves (continued)

The purpose of the Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. Options will be exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less the applicable discount, if any, permitted under the TSXV policy applicable to incentive stock options. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries.

In addition to other terms and conditions contained within the Stock Option Plan, the number of Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Shares on a yearly basis, or 2% to any one Consultant in a 12 month period and the aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued shares of the Company in any 12 month period.

The Option Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion. The Option Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. 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. Additionally, if an Optionee ceases to act in their role for the Company the options shall expire subject to the term determined by the Board of Directors but in any event, expiry shall not exceed 12 months; similarly, the optionee's heirs or administrators can exercise any portion of outstanding options up to 12 months from the optionee's death.

When a Participant or other person becomes entitled to receive a payment in respect of any RSUs, the Company or a member of the Group shall have the right to require the Participant or such other person to remit to the Company or to a member of the Group, as the case may be, an amount sufficient to satisfy any withholding tax requirements relating thereto.

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 800,000; provided, however, that the total number of shares which may be issued pursuant to RSUs and options granted under the RSU Plan is a maximum of 10% of the issued and outstanding shares at the time of grant.

On September 18, 2024, the Company granted 520,000 RSUs with a grant date fair value of \$167,787 with 50% of RSUs granted vesting on the first anniversary date and 50% vesting on the second anniversary date and a weighted average grant date fair value of \$0.32 (C\$0.45) per unit.

On September 17, 2025, the Company granted 305,000 RSUs with a grant date fair value of \$117,471 and a weighted average grant date fair value of \$0.39 (C\$0.53) per unit. The RSUs will vest in full upon the delivery of a two million ounces of gold equivalent resource and will expire, if unvested, two years from the date of issuance. The Company has assessed the vesting conditions being met as probable and as a result the cost will be recognized over the expected vesting period from September 17, 2025 to June 30, 2026. If at any reporting date it is considered no longer probable that the 2 million ounces resource will be achieved, the cumulative expense recognized to date will be reversed immediately. The Company recognized a cost of \$74,262 in relation to these RSUs in the period ending June 30, 2026.

As of June 30, 2026 the Company had 535,000 RSUs outstanding which are still subject to vesting conditions.

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10. Reserves (continued)

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

	No. of RSUs
January 1, 2025	460,000
June 30, 2025 issued	460,000
Vested	(230,000)
Issued	305,000
December 31, 2025 issued	535,000
June 30, 2026 issued	535,000
June 30, 2026 available for issue	-
December 31, 2025 available for issue	-

11. Provision

	2026	2025
	\$	\$
Current		
Provision for Withholding tax (i)	31,451	32,416
	31,451	32,416

- (i) During the year ended December 31, 2022, the Company underwent a tax audit of its subsidiaries based in Côte d'Ivoire by the Directorate General of Taxation (Ivorian tax authority) for the financial years ending 2019, 2020 and 2021. During the period ended June 30, 2026, the Company continued to discuss with the local tax authorities the taxes payable and penalties applied.

The Company continued to recognize the following provision balance and an accrual of \$113,206 at June 30, 2026 (included in Employment and tax payables balance - refer Note 8).

The following table sets out the movements in the provision during the year:

	2026	2025
	\$	\$
Opening balance	32,416	51,397
Reversal	-	(23,942)
Foreign exchange movement	(965)	4,961
Closing Balance	31,451	32,416

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12. 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.

<i>As at June 30, 2026</i>	Cash	Receivables	Other liabilities	Total carrying amount	Total fair value
	\$	\$	\$	\$	\$
Assets					
<i>At amortised cost</i>					
Cash	14,882,979	-	-	14,882,979	14,882,979
Receivables	-+	4,663,436	-	4,663,436	4,663,436
	14,882,979	4,663,436	-	19,546,415	19,546,415
Liabilities					
<i>At amortised cost</i>					
Accounts payable and accrued liabilities	-	-	7,852,796	7,852,796	7,852,796
	-	-	7,852,796	7,852,796	7,852,796

<i>As at December 31, 2025</i>	Cash	Receivables	Other liabilities	Total carrying amount	Total fair value
	\$	\$	\$	\$	\$
Assets					
<i>At amortised cost</i>					
Cash	11,935,657	-	-	11,935,657	11,935,657
Receivables	-	237,022	-	237,022	237,022
	11,935,657	237,022	-	12,172,679	12,172,679
Liabilities					
<i>At amortised cost</i>					
Accounts payable and accrued liabilities	-	-	3,565,297	3,565,297	3,565,297
	-	-	3,565,297	3,565,297	3,565,297

13. Financial risk management

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).

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13. Financial risk management (continued)

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

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, interest rate risk, liquidity risk, foreign currency risk, commodity price 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 and interest rate 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. The Company holds its key operational bank accounts with reputable banks of international financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no significant concentration of credit risk arising from operations.

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. As at June 30, 2026 the Company does not have any obligations that bear fixed interest rates. The Company is therefore not exposed to the risk of changes in fair value resulting from interest rate fluctuations.

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 summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at June 30, 2026

	Less than 3 months	3 to 12 months	1 to 5 years	Total
Accounts payables and accrued liabilities	7,852,796	-	-	7,852,796

As at December 31, 2025

	Less than 3 months	3 to 12 months	1 to 5 years	Total
Accounts payables and accrued liabilities	\$3,565,297	-	-	\$3,565,297

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13. Financial risk management (continued)

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.

The following table details balances held and subject to foreign currency movements as at June 30 2026 (December 31, 2025) (balances expressed in US\$):

Currency of balance	CAD	AUD	GBP	CFA	EUR	CHF
2026 Net exposure	8,857,580	5,460	6,011	(5,269,921)	(720)	(30,907)
2025 Net exposure	4,840,712	2,610	(1,915)	(2,574,130)	(4,002)	

At June 30, 2026, with other variables remaining unchanged, a +/- 10% change in exchange rates would increase/decrease pre-tax loss of \$356,750 (2025: \$208,372).

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

Commodity price Risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper, gold and other base metals. The Company monitors these metal prices to determine the appropriate course of action to be taken.

Capital management

Capital of the Company consists of capital stock and deficit. The Company's objective 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 period.

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14. Related party transactions

a) Related party transactions

For the period ended June 30, 2026 and 2025, the Company incurred employment costs and fees to directors and officers, or to companies associated with these individuals as follows:

	2026	2025
	\$	\$
Non-executive directors' fees (i) & (iv)	40,000	40,000
Consulting fees (i)	65,333	64,450
CEO fees & entitlements	102,000	90,000
VP - Exploration fees and entitlements	97,846	90,000
VP- Corporate Development fees	62,286	60,332
Accounting fees – CFO services (iii)	50,586	45,706
Company secretarial fees (ii)	-	18,736
Share based payment	98,529	40,828
Rental fee (v)	7,622	7,452
	524,202	457,504

(i) Includes fees paid/payable to 2287957 Ontario Inc a company owned by S. Stewart.

(ii) Amount paid/payable to Marketworks Pty Ltd – a company controlled by K Witter

(iii) Includes an amount paid/payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper

(iv) Includes fees paid/payable to 2778454 Ontario Inc a company owned by A. Moreau.

(v) Rental fees paid/payable to American Eagle Gold - a company that has more than one director in common.

b) Related party balances owing

	2026	2025
	\$	\$
Non-executive fee	10,000	-
CEO- bonus & expense reimbursement	-	30,000
VP- Corporate Development - expense reimbursement	3,030	12,175
Consulting fee - bonus (i)	-	30,000
VP – Exploration - expense reimbursement	313	6,611
Accounting fees – CFO - bonus (ii)	-	9,500
Donation (iii)	-	1,458
	13,343	89,744

(i) Includes fees paid/payable to 2287957 Ontario Inc a company owned by S. Stewart.

(ii) Includes an amount paid/payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper

(iii) Amount payable to Young Mining Professionals Scholarship Fund – a related company that has more than one director in common.

Amounts included in accounts payable and accrued liabilities and are unsecured and payable in cash.

c) Related party balance receivable

During the year ended December 31, 2024 the Company provided a short-term loan of \$8,703 (EUR 8,200) to VP- Exploration. The loan bears interest at 8% per annum, matures on December 1, 2025, was repayable in monthly payments of EUR 384 with a final payment of EUR 4,100 on maturity. The amount was repaid in full during the year ended December 31, 2025. An amount of \$309 was recorded as interest revenue in the period ending June 30, 2025.

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14. 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 period ended June 30, 2026, are set out below:

	2026	2025
	\$	\$
Short term benefits (i) & (ii)	312,719	304,774
Short term benefits- Non-executive directors' fees (iii, iv)	40,000	40,000
Short-term benefits- consulting fee (iii)	65,333	64,450
Share based payment benefits	98,529	40,828
	516,581	450,052

- (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) Includes fees paid/payable to 2287957 Ontario Inc a company owned by S. Stewart.
- (iv) Includes fees paid/payable to 2778454 Ontario Inc a company owned by A. Moreau.

15. 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
<i>Contingent payments</i>	
US\$1,845,000 (2024: US\$1,845,000)	Payable to original ANGET partners upon the Company making a decision to mine in respect 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. As provided in the Exploration Agreement, the US\$1.845,000 payment due upon securing financing following the decision to mine pursuant to clause 4.1 of the ANGET Share Sale Agreement, shall be paid by Newmont and Awalé on the same terms and according to their respective Participating Interests.

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

The Sienso permit is subject to a 2.5% net smelter return (NSR) royalty in favour of Resolute Mining Ltd.

A counterparty to an agreement with the Company has asserted that a contingent payment under that agreement has become payable. The Company disputes that assertion and believes that no payment is due. Discussions remain ongoing. No legal proceedings have been commenced and no obligation on the part of the Company has been recognized.

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16. Supplemental information with respect to cash flows

	As at June 30, 2026	As at June 30, 2025
	\$	\$
Loss after income tax	(1,217,018)	(843,526)
<i>Non cash flows in operating activities</i>		
Share based payment	248,190	74,532
Foreign exchange loss/(gain)	98,408	927
Exploration expenditure	117,763	-0
Depreciation	109,117	58,902
<i>Changes in assets and liabilities</i>		
Movement in receivables	(166,983)	(94,575)
Movement in prepayments	164,464	(3,803)
Movement in payables	164,048	44,906
Net cash used in operating activities	(482,011)	(762,637)

Schedule of non-cash investing and financing activities

	As at June 30, 2026	As at June 30, 2025
	\$	\$
Interest income	-	-

17. 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 of Directors 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 of Directors 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.

18. 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.

		2026	2025
Net loss attributable to equity holders	\$	(1,217,018)	(843,526)
Basic & diluted weighted number of shares	No.	109,417,961	89,014,006
Basic and diluted loss per share attributable to equity holders of the parent	\$	(0.01)	(0.01)

All outstanding shares, options and warrants are considered anti-dilutive and have been excluded from the diluted weighted average number of common shares for the period ended June 30, 2026

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19. Subsequent events

Subsequent to the period the Company issued an aggregate of 24,320,202 common shares at C\$0.85 (\$0.62) per share for total gross proceeds of C\$20,672,157 (\$14,621,270) consisting of:

- 16,642,352 common shares to PDI for gross proceeds of C\$14,146,000, (\$10,000,000)
- 5,695,312 common shares to Fortuna for gross proceeds of C\$4,841,000 (\$3,429,963)
- 1,982,538 common shares to Newmont for gross proceeds of C\$1,685,157 (\$1,191,307)

Subsequent to the period the Company issued 88,334 shares on exercise of 88,334 options with an exercise price of \$C0.54 (\$0.39) for gross proceeds of C\$47,700 (\$34,344).

Subsequent to the period the Company issued 51,000 shares on exercise of 51,000 options with an exercise price of \$C0.45 (\$0.33) for gross proceeds of C\$22,950 (\$16,524).

On August 10, 2026 Michael Dorfman was appointed as a non-executive director to the Board and Karl Akueson stepped down.

CORPORATE DIRECTORY

Awalé Resources Limited

Directors & Management

Stephen Stewart – Chairperson & Non-executive director

Charles Beaudry – Non-executive director

Anthony Moreau – Non-executive director

Karl Akueson – Non-executive director (resigned August 10, 2026)

Michael Dorfman – Non-executive director (appointed August 10, 2026)

Andrew Chubb – Chief Executive Officer

Sharon Cooper – Chief Financial Officer

Investor Relations

Andrew Chubb

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Registered office

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Vancouver, British Columbia, CANADA

Auditor

Davidson & Company

1200 609 Granville Street, Vancouver

British Columbia, CANADA

Share Registry

Computershare

100 University Avenue

11th floor, South Tower

Toronto, Ontario

CANADA

TSX V symbol: ARIC

OTCQX symbol: AWLRF