

**SPADA GOLD LTD.**

Suite 1400 – 400 Burrard Street  
Vancouver, British Columbia V6C 3A6

**BINDING LETTER AGREEMENT**

VIA EMAIL

November 14, 2017

Newoka Resources SARL

Awale Resources SARL

**Re: Spada's acquisition of Joint Venture Interest**

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Dear Sirs:

This letter agreement (the "**Agreement**") sets out the terms and conditions pursuant to which:

- A. Spada Gold Ltd. ("**Spada**") will acquire all of the ordinary shares of Srika Gold SARL ("**Srika**") held by Newoka Resources SARL ("**Newoka**") in exchange for common shares of Spada;
- B. Newoka and Awale Resources SARL ("**Awale**") will terminate their respective obligations under the agreement between them titled "Accord de Transfert de Permis et de Renonciation aux Demandes de Permis de Recherche" dated May 2, 2015 (the "**Original Agreement**"); and
- C. Spada will agree to pay Newoka a fee of US\$800,000 upon the attaining of an Exploitation Permit resulting from any of the permits or permit applications currently held by Srika,

all as more particularly described herein.

In consideration for the covenants and agreements contained herein, the parties agree with each other as follows:

**1. Acquisition of Shares**

Subject to the terms and conditions of this Agreement, on the Closing Date (as defined below), Newoka hereby agrees to sell, assign and transfer all of its 200 ordinary shares (the "**Acquisition Shares**") of Srika to Spada in exchange for Spada issuing to Newoka 1,000,000 common shares (the "**Payment Shares**") of Spada (the "**Acquisition**"). In the event the Private Placement (as defined below) is conducted at a price less than \$0.25 per share or unit of Spada, the number of Payment Shares will be increased to such number of shares as values the Payment Shares at \$250,000 based on a price per share equal to the price per share or unit offered in the Private Placement.

Newoka acknowledges and agrees that certificates or DRS advice statements it receives representing Payment Shares will bear a legend or legends respecting restrictions on transfers as required under applicable laws in Canada and that Newoka has been advised to consult its own legal advisor with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions.

The closing of the Acquisition (the "**Closing**") will occur on such date as Spada may specify following the waiver or satisfaction of all conditions precedent described in this Agreement (the "**Closing Date**") and is expected to occur concurrently with Spada completing a private placement for gross proceeds of at least \$3 million at a price of \$0.25 per share or unit of Spada (the "**Private Placement**") and acquiring all of the ordinary shares of Awale's parent company, Awale Resources Limited ("**Awale Holdco**"), from Mariana Resources Limited and

Awale Holdings Limited (the "**Awale Acquisition**"). The Acquisition, the Awale Acquisition and the Private Placement are referred to collectively herein as the "**Transaction**".

## **2. Termination of Original Agreement**

Effective on the Closing Date, the Original Agreement and the joint venture contemplated by that agreement shall be terminated and neither Awale nor Newoka shall will have any obligation or liability to each other whatsoever under the Original Agreement. Effective on the Closing Date, Newoka shall have no further rights or title of any kind to Srika or to the joint venture contemplated by the Original Agreement.

## **3. Status of Permits and Permit Applications**

All exploration permits, research permits or other permits (defined as "Permis d-Exploration, Permis de Recherche our Permis" in the Original Agreement and referred to herein as "**Permits**") and all applications for permits (defined as "Demande" in the Original Agreement and referred to herein as "**Permit Applications**") referred to in the Original Agreement have been transferred to Srika and, effective upon the Closing Date, Newoka shall have no further rights or interest of any kind whatsoever in any such Permits or Permit Applications (together referred to herein as, "**Permit Rights**").

## **4. Milestone Payments for Exploitation Permit**

Effective on the Closing Date, Spada shall be obligated to pay to Newoka a once off fee of US\$800,000 upon any Permit Rights held by Srika as of the date hereof being converted to an Exploitation Permit ("Permis d'Exploitation" in the Original Agreement). For greater certainty, Newoka shall be entitled to only one \$US800,000 fee, regardless of how many Exploitation Permits may be granted.

## **5. Representations and Warranties**

a) **Concerning Spada.** Spada represents and warrants to and covenants with the other parties as follows:

- (i) It is a corporation incorporated and existing under its jurisdiction of incorporation and has the power to enter into and perform its obligations under this Agreement. This Agreement constitutes a legal, valid and binding agreement of Spada and is enforceable against it in accordance with its terms and conditions.
- (i) Spada is a "reporting issuer" in British Columbia and Alberta and is not in material default of any requirement of the securities acts of those jurisdictions. The common shares of Spada are listed on the TSX Venture Exchange (the "**TSXV**"). Spada is not subject to any regulatory decision or order prohibiting or restricting trading in its securities.
- (ii) The execution, delivery and performance by Spada of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of Spada.
- (iii) The execution and delivery of this Agreement by Spada and the performance by Spada of its obligations under this Agreement will not: (A) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of Spada, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Spada is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which

Spada is bound; or (B) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by Spada.

- (iv) Other than all necessary approvals by the TSXV in connection with the Transaction, there is no requirement to obtain any regulatory approval as a condition to the lawful completion by Spada of the transactions contemplated by this Agreement.
- (v) There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Spada, threatened against Spada before any court, regulatory or administrative agency or tribunal.

b) **Concerning Awale.** Awale represents and warrants to and covenants with the other parties as follows:

- (ii) It is a corporation incorporated and existing under its jurisdiction of incorporation and has the power to enter into and perform its obligations under this Agreement. This Agreement constitutes a legal, valid and binding agreement of Awale and is enforceable against it in accordance with its terms and conditions.
- (i) The execution, delivery and performance by Awale of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of Awale.
- (ii) The execution and delivery of this Agreement by Awale and the performance by Awale of its obligations under this Agreement will not: (A) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of Awale, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Awale is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which Awale is bound; or (B) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by Awale.
- (iii) there is no requirement to obtain any regulatory approval as a condition to the lawful completion by Awale of the transactions contemplated by this Agreement.
- (iv) There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Awale, threatened against Awale before any court, regulatory or administrative agency or tribunal.

c) **Concerning Newoka.** Newoka represents and warrants to and covenants with the other parties as follows:

- (i) It is a corporation incorporated and existing under its jurisdiction of incorporation and has the power to enter into and perform its obligations under this Agreement. This Agreement constitutes a legal, valid and binding agreement of Newoka and is enforceable against it in accordance with its terms and conditions.
- (ii) The execution, delivery and performance by each of the Newoka of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of each of the Newoka.

- (iii) The execution and delivery of this Agreement by the Newoka and the performance by the Newoka of their respective obligations under this Agreement will not: (A) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of the Newoka, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which any of the Newoka is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which any of the Newoka is bound; or (B) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by any of the Newoka.
- (iv) There is no requirement to obtain any regulatory approval as a condition to the lawful completion by the Newoka of the transactions contemplated by this Agreement.
- (v) There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Newoka, threatened against any of the Newoka before any court, regulatory or administrative agency or tribunal.
- (vi) Newoka is the legal and beneficial owner of all of the Acquisition Shares with good title, free and clear of all security interests, liens, pledges, assignments, charges, encumbrances or mortgages and free of any resale restrictions. Except for Spada's rights under this Agreement and Awale's rights under the Original Agreement, there is no option, agreement or other right capable of becoming such to acquire from Newoka any of the Acquisition Shares or any interest in the joint venture contemplated by the Original Agreement.
- (vii) Srika is authorized to issue an unlimited number of ordinary shares, of which 2,000 fully paid ordinary shares are validly issued and outstanding as of the date hereof. Awale is the registered owner of 1,800 ordinary shares of Srika and Newoka is the registered and beneficial owner of 200 ordinary shares of Srika.
- (viii) Other than the ordinary shares described in paragraph (vii), above, there are no other shares, options, warrants, convertible notes or debentures, promissory notes, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Srika.
- (ix) Srika is the holder of all of the Permit Rights and there are no options, agreements, preemptive rights, rights of first refusal or other rights capable of becoming such to acquire all or any part of the Permit Rights.
- (x) There are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Srika, the Acquisition Shares or the Permit Rights at law or in equity or before or by any governmental authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, any pending or threatened.

The representations and warranties set out above are true and correct as of the date of this Agreement and shall be true and correct at the date of Closing as though they were made at that time, and should such not be the case, the party or parties to whom the representations and warranties were made will be entitled, for a period of three years following the Closing, to seek remedy against that party for any such misrepresentation or breach of warranty.

## 6. Conditions Precedent

a) **In favour of both Spada and Newoka.** The obligations of the Spada and Newoka under this Agreement are subject to the fulfillment of the following conditions at or prior to the Closing:

- (i) Spada being in a position to close, and Spada closing, the Private Placement and the Awale Acquisition concurrently with the Closing;
- (ii) receipt of all regulatory approvals, including approval of the TSXV, and consents from third parties and shareholders that are necessary to complete the Transaction; and
- (iii) there not being in force any order or decree restraining or enjoining the consummation of the Transaction or the other transactions contemplated by this Agreement.

The conditions precedent set forth above may be mutually waived by Spada and Newoka in whole or in part on or before the Closing.

b) **In favour of Spada.** Spada's obligations under this Agreement are subject to the fulfilment of the following conditions at or prior to the Closing:

- (i) Newoka having complied with all of its covenants and agreements contained in this Agreement;
- (ii) the representations and warranties of Newoka and Awale contained in this Agreement being true in all material respects as if such representations and warranties had been made by Newoka and Awale as of the Closing Date (with modifications necessary to reflect the transactions contemplated by this Agreement); and
- (iii) transfer of legal and beneficial ownership of all of the Acquisition Shares having been delivered at the Closing.

The conditions precedent set forth above are for the exclusive benefit of Spada and may be waived by it in whole or in part on or before the Closing.

c) **In favour of Newoka.** The obligations of Newoka under this Agreement are subject to the fulfilment of the following conditions:

- (i) Spada having complied with all of its covenants and agreements contained in this Agreement;
- (ii) the representations and warranties of Spada and Awale contained in this Agreement being true in all material respects as if such representations and warranties had been made by Spada and Awale as of the Closing Date (with modifications necessary to reflect the transactions contemplated by this Agreement); and
- (iii) the Payment Securities having been issued and delivered at the Closing.

The conditions precedent set forth above are for the exclusive benefit of Newoka and may be waived by Newoka in whole or in part on or before the Closing.

## **7. Exclusivity**

Newoka will not, nor will it permit any of its directors, officers, representatives or agents to, directly or indirectly, solicit, encourage or participate in any proposal or offer for the purchase of Newoka, the Acquisition Shares or Srika. Newoka will immediately terminate all discussions with any third party regarding any transaction described above, and will notify Spada in writing immediately if any person makes a proposal or offer with respect to such a transaction.

## **8. Confidentiality**

No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any party other than Spada without the prior written agreement of Spada, provided that the obligations herein will not prevent any party from making, after consultation with Spada, such disclosure as its counsel advises is required by applicable laws. Except with the prior written consent of Spada, each of the parties hereto and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from a party concerning any of the parties in confidence and such information will not be disclosed or used by the recipients thereof, except such information and documents available to the public or as are required to be disclosed by applicable laws.

## **9. Expenses**

Each of the parties hereto will be responsible for its own expenses incurred in connection with this Agreement; however, Spada shall pay all expenses related to the transfer of the Acquisition Shares at Closing.

## **10. Termination**

Each of Spada and Newoka will, in its sole discretion, have the right to terminate this Agreement:

- a) if any party has breached or is in default of any material term of this Agreement and fails to cure or remedy such breach or default within 14 days after receiving written notice thereof from the party not in breach or default; or
- b) if the Closing does not occur on or before December 31, 2017.

## **11. Governing Law**

This Agreement will be governed by and construed in accordance with the laws of Côte D'Ivoire and the parties attorn to the exclusive jurisdiction of the courts of Côte D'Ivoire in respect of all disputes arising hereunder.

## **12. Entire Agreement**

This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect thereto. Time shall be of the essence of this Agreement.

## **13. Currency**

All dollar amounts referenced in this document refer to Canadian dollars unless otherwise stated.

**14. Execution**

This Agreement may be executed in one or more electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document.

**15. Language**

The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating hereto be drawn up in the English language. ***Les parties reconnaissent leur volonté expresse que la présente convention de souscription ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.***

**[Remainder of page intentionally blank]**

If the foregoing is in accordance with your understanding, please sign below for this Agreement to be effective as of the day and year first above written.

Yours truly,

**SPADA GOLD LTD.**

By: "Ron Ho"  
Ron Ho  
CEO & Director

Accepted and agreed on by:

**AWALE RESOURCES SARL**

**NEWOKA RESOURCES SARL**

By: "Glen Parsons"  
Authorized Signatory

By: "Koffi Gbamele"  
Authorized Signatory