

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

Awalé Resources Limited (the “Company”)
8681 Clay Street
Mission, B.C. V4S 1E7

ITEM 2. DATE OF MATERIAL CHANGE

September 12, 2022

ITEM 3. NEWS RELEASE

On September 13, 2022 the Company announced the entering into a binding letter agreement and a proposed non-brokered private placement. News Release disseminated through Cision News Wire

ITEM 4. SUMMARY OF MATERIAL CHANGE

Subject to certain terms and conditions as outlined below in Item 5.1; the Company announced the entering into of a binding letter agreement with Colossal Gold Resources Limited and its shareholders to acquire 100% of the issued share capital of Colossal in consideration for the Company issuing an aggregate of 21,663,138 of its common shares at a deemed price per share of CAD \$0.197.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

September 13, 2022 - Vancouver, BC - Awalé Resources Limited (“Awalé” or the “Company”) (TSXV: ARIC) is pleased to announce that it has entered into a binding letter agreement dated September 12, 2022 (the “Agreement”) with Colossal Gold Resources Limited (“Colossal”) and the shareholders of Colossal (collectively, the “Sellers”) to acquire 100% of the issued share capital of Colossal (the “Colossal Shares” and the acquisition of the Colossal Shares the “Acquisition”). In consideration for the Colossal Shares, Awalé will issue to the Sellers an aggregate of 21,663,138 common shares of the Company (the “Consideration Shares”) which will represent 41% of the outstanding Awalé common shares post-closing of the Acquisition but prior to giving effect to any Awalé common shares issued under the Financing discussed below (the “Financing Shares”). The Consideration Shares are being issued at an agreed deemed price per share of CAD\$0.197, a premium of approximately 40% to the Awalé closing share price on September 9, 2022.

Colossal is a private holding company with an exciting gold exploration portfolio focused on the highly prospective, but underexplored, greenstone belt of Suriname, South America (the “Project”). Colossal holds, through its wholly-owned Surinamese subsidiary, Consolidated Gold Resources N.V. (“Consolidated Gold”), a 100% interest in certain existing mineral exploration and exploitation licences in Suriname (collectively, the “Licences”).

Colossal, Consolidated Gold and each of the Sellers, other than Glen Parsons, the Chief Executive Officer and a director of Awalé, are arm's length to Awalé (see "Related Party Transaction Process" below).

Acquisition Highlights

- The Acquisition will provide Awalé with an immediate presence in the little-explored section of the northern greenstone belt of Suriname, well known for its gold mineralization endowment.
- The Licences are located along trend and close to IAMGOLD's Rosebel mine and project area.
- The largest License held by Colossal is also contiguous to the NW Extension Project operated by the Barrick/Reunion Gold Alliance.
- Furthermore, Newmont operates the world-class Merian mine in the same regional greenstone terrane.
- The Licences consist of:
 - 1 exploitation licence covering an area of 38km² and expiring 2035 (the Goliath Project);
 - 3 contiguous exploration licenses covering an area of 184km² along trend from the IAMGOLD Rosebel and Saramacca deposits; and
 - 1 exploration licence covering an area of 360km² contiguous to the NW Extension Project licence area being explored by the Reunion Gold /Barrick Alliance.
 - An overview of the Licences can be found in the attached figures by following the link: <https://www.awaleresources.com/resources/maps/2022-09-13-Suriname-Acquisition-Figures.pdf>
- Colossal's existing exploration team will continue advancing the Licenses and Awalé intends to build upon Colossal's existing team to achieve accelerated exploration results.
- Colossal's existing exploration team is headed by Chris Hughes, current Chief Operating Officer of Colossal, who will drive the Project's exploration activities on the ground in Suriname.

Awale's Strategic Rationale

- Awalé's strategy is building a value adding multi-jurisdictional exploration portfolio in stable and mining-friendly countries by using the Company's proven delivery capabilities and strong systematic exploration track record.
- The Awalé team continues to be led by Glen Parsons who has operated successfully in the past as the CEO of Mariana Resources Ltd which had a multi-jurisdictional exploration portfolio including the Hod Maden project in Turkey and which was acquired by Sandstorm Gold Limited.
- The Awalé team has experience operating in Suriname through its leadership of Mariana Resources Ltd.
- The Odienné Project earn-in Joint Venture with Newmont ([see Company News Release dated May 31, 2022](#)) provides the solid foundation to enable this value adding multi-jurisdictional strategy to be achieved.
- In accordance with Awalé's strategy, the objective is to create value for all stakeholders by responsibly exploring and advancing district scale projects to feasibility; as the Company's focus is on stable jurisdictions with compelling geology that ultimately

attract major producers, Suriname fits this strategy.

- The strategic rationale for the Acquisition is gaining an immediate foothold on an established exploration portfolio in the northern greenstone belt of Suriname, well known for its gold mineralization endowment, located along trend and close to IAMGOLD's Rosebel mine and project area.

Overview of the Acquisition

- Awalé will acquire an indirect 100% interest in Colossal's subsidiary, Consolidated Gold, by virtue of its acquisition of 100% of the Colossal Shares.
- In consideration for the Colossal Shares, Awalé will issue to the Sellers an aggregate of 21,663,138 Consideration Shares at an agreed deemed price per Consideration Share of CAD\$0.197 which is the same price as Newmont paid for its interest in Awalé (see News Release date May 31, 2022).
- The Consideration Shares will represent 41% of the outstanding Awalé common shares post- Closing of the Acquisition but prior to the issuance of any Financing Shares.
- The Sellers currently own approximately 26% of the outstanding Awalé common shares. After issuance to the Sellers of the Consideration Shares, post-Closing of the Acquisition the Sellers will hold approximately 56.62% of the outstanding Awalé common shares prior to the issuance of any Financing Shares.
- Closing of the Acquisition is subject to receipt of TSX Venture Exchange ("TSXV") acceptance; receipt of the approval of the shareholders of the Company is required by the policies of the TSXV; Awalé being satisfied in its sole discretion with the results of its in-country due diligence review (the "Due Diligence Review") (to be completed on or before October 15, 2022, unless mutually extended by Awalé and Colossal); Awalé having completed a financing to raise a minimum of gross proceeds of CAD\$2,000,000 (the "Financing"); the assumption by Awalé of the Assumed Obligations (as defined herein); and other closing conditions as are standard for a transaction of the nature of the Acquisition, (collectively, the "Closing Conditions");
- The Consideration Shares issued in the Acquisition will be subject to a statutory hold period under applicable Canadian securities laws which will expire four months and one day after the closing of the Acquisition (the "Closing") and a voluntary trading restriction preventing the Sellers from reselling any of the Consideration Shares for a period of eighteen months from Closing; and
- The Agreement may be terminated by a party if any of the Closing Conditions for the benefit of the terminating party is not satisfied or waived by October 15, 2022, unless such date is extended by mutual written consent of Awalé and Colossal or by Awalé if it determines, acting reasonably, that the results of its Due Diligence Review are not satisfactory to it in all material respects.

Colossal originally acquired the Licenses from a third party (the "Vendor") and agreed to make certain future payments to the Vendor. Upon Closing of the Acquisition, Awalé has agreed to assume from Colossal the following payment obligations to the Vendor:

- Payment of US\$250,000 on Closing of the Acquisition or as otherwise agreed;
- Payments totaling a maximum of US\$1.75M following issuance of a technical report prepared in accordance National Instrument 43-101 – *Standards for Disclosure of Mineral Projects* establishing a mineral resource on the Project on the following basis:

1. US\$0.50 per ounce of gold for reported accumulated ounces of up to 999,999

ounces of gold (the “Initial Ounces)

2. US\$1.00 per ounce of gold for reported accumulated ounces of one million ounces or greater of gold plus an additional payment of US\$0.50 per Initial Ounce.

Related Party Transaction Process

Glen Parsons, a director and the Chief Executive Officer of Awalé, is a “related party” of the Company (as defined by Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“MI 61-101”)). Glen Parsons is also a shareholder of Colossal and, therefore, one of the Sellers under the Acquisition and will be a party to the Agreement. Mr. Parsons’ direct and indirect ownership is approximately 12% of Awalé’s current issued and outstanding shares and 23.4% of the current issued and outstanding Colossal Shares. He will be issued 5,472,978 Consideration Shares under the Acquisition. Accordingly, the issuance of the Consideration Shares to Mr. Parsons will constitute a “related party transaction” within the meaning of TSXV Policy 5.9 which adopts MI -61-101. The Company is relying on the exemptions from both the formal valuation requirement and the minority shareholder approval requirement in MI 61-101 for related party transactions under sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101, in connection with the issuance of the Consideration Shares to Mr. Parsons on the basis that neither the fair market value of the Colossal Shares held by Mr. Parsons, nor the fair market value of the Consideration Shares to be issued to Mr. Parsons, exceeds 25% of the Company’s market capitalization calculated in accordance with MI 61-101. The Company did not file a material change report more than 21 days before the expected Closing date of the Acquisition as it has negotiated the Acquisition on an expedited basis.

A special committee was established by the board of directors of the Company, which is comprised of the independent non-executive directors of the Company, and is chaired by Derk Hartman, (the “Special Committee”) to evaluate and, if appropriate, approve the Acquisition. Mr. Parsons has not participated in the evaluation and approval process for the Acquisition for either Awalé or Colossal.

The Special Committee assessed the merits of the Acquisition and unanimously approved the Acquisition on the following basis:

- The Licenses are strategically located on known producing gold trends in the greenstone belt of Suriname;
- The greenstone belt of Suriname is an underexplored region with large potential for further major gold discoveries;
- Suriname is a stable jurisdiction with existing major operating multi-million ounce mines – IAMGOLD and Newmont;
- The Licenses are easily accessible for logistics, exploration and development (just three hours from capital Paramaribo); and
- Awalé acquires access to an experienced gold exploration team with a proven track record of operating in Suriname.

The Closing of the Acquisition is expected to occur on the fifth business day in the City of Vancouver, British Columbia following the satisfaction or waiver of the Closing Conditions.

Derk Hartman, Independent Director and Chairman of the Special Committee commented:

“Awalé’s acquisition of Colossal Gold Resources’ gold exploration portfolio in Suriname is a transformational and exciting transaction that represents an excellent strategic fit for Awalé. The Guiana Shield and West African Shield share the same greenstone belt geology, as it was one continent before the Atlantic Ocean was formed 195 million years ago. Whereas many multi-million ounce gold deposits have been delineated in the West African Shield, the Guiana Shield, and particularly Suriname, remains very underexplored relative to West Africa. With the acquisition of Colossal Gold Resources, Awalé is gaining an immediate and highly prospective foothold in the northern greenstone belt of Suriname, well known for its gold mineralization endowment. As Awalé succeeds, we look forward to accelerating the exploration programmes in both Suriname and Côte d’Ivoire with the combined exploration teams from Awalé and Colossal Gold Resources.”

Thomas McNeill, Independent Director to Colossal Gold Resources Limited commented:

“The Directors and Shareholders of Colossal are excited in becoming part of the greater Awalé Group. The underexplored Suriname, within the greater Guiana Shield, offers huge potential for Colossal’s objective of a successful exploration business that offers scale in jurisdictions where major producers operate. Therefore, Awalé’s strategy complements and achieves our objective of building a diversified portfolio of highly prospective assets which mitigates project and jurisdictional risk and furthermore enhances the chance of success.”

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTION

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Contact: Glen Parsons, Director
Telephone: +161 41 573 9616

ITEM 9. DATE OF REPORT

September 14, 2022