

FORM 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

**Item 1 – Security and Reporting Issuer**

1.1 *State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.*

This report relates to the common shares (the “**Common Shares**”) and warrants (the “**Warrants**”) of Awalé Resources Limited (“**Awalé**” or the “**Company**”).

Awalé’s head office is located at 8681 Clay Street, Mission, BC, V4S1E7

1.2 *State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.*

Not applicable. See Item 2.2 below.

**Item 2 – Identity of the Acquiror**

2.1 *State the name and address of the acquiror.*

Orecap Invest Corp. (“**Orecap**”)

Address: 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7

Jurisdiction of Incorporation: British Columbia

Principal Business: Investment Company

2.2 *State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.*

On April 25, 2023, Awalé announced that it had agreed to issue units (“**Units**”), at a price of \$0.12 per Unit (the “**Issue Price**”)(the “**Offering**”). Each Unit will consist of one Common Share and one-half of one Common Share purchase warrant of the Company (each full warrant, a “**Warrant**”). Each Warrant will entitle the holder to acquire one Common Share from the Company at a price of \$0.20 per Common Share for a period of 36 months following the closing of the Offering.

Orecap entered into a subscription agreement with the Company on May 24, 2023 (the “**Subscription Agreement**”), pursuant to which Orecap agreed to purchase an aggregate of 8,333,333 Units (the “**Purchased Units**”) at the Issue Price for gross proceeds of \$999,999.96.

2.3 *State the names of any joint actors.*

None

**Item 3 – Interest in Securities of the Reporting Issuer**

3.1 *State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.*

Pursuant to the Subscription Agreement, the Company has agreed to issue 8,333,333 Units to Orecap.

Prior to the Offering, Orecap held no securities of the Company.

After giving effect to the closing, Orecap will own and exercise control or direction over 8,333,333 Common Shares and 4,166,667 Warrants, representing approximately 15% of the issued and outstanding Common Shares on a non-diluted basis and approximately 21% of the issued and outstanding Common Shares on a partially-diluted basis (that is, assuming the exercise of all Warrants held by Orecap).

3.2 *State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.*

See Items 2.2 and 3.1 above.

3.3 *If the transaction involved a securities lending arrangement, state that fact.*

Not applicable.

3.4 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.*

See Item 3.1 above.

3.5 *State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which*

(a) *the acquiror, either alone or together with any joint actors, has ownership and control,*

See Item 3.1 above.

(b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

Not applicable.

(c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

Not applicable.

3.6 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

Not applicable.

*State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.*

Not applicable.

3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Consideration Paid**

4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

See Item 2.2 above.

4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See Item 2.2 above.

4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

#### **Item 5 – Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) a material change in the reporting issuer's business or corporate structure;*
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) a solicitation of proxies from securityholders;*
- (k) an action similar to any of those enumerated above.*

See Item 2.2 above.

Orecap is participating in the Offering for investment purposes. Orecap may engage with management and with the board of directors of the Company, shareholders of the Company or other third parties regarding the Company, its strategy, business, capitalization, ownership, plans and prospects, and potential means to enhance shareholder value.

Orecap intends to review its investment in the Company on a continuing basis and may adjust its level of engagement with Awalé and others and/or take such actions with respect to its investment in Awalé as it may determine to be appropriate based on a number of factors, including Awalé's business, financial condition, strategic direction and prospects, the price levels of the Common Shares, and market and other conditions, as well as other investment opportunities available to Orecap. Orecap may, from time to time, increase or decrease its beneficial ownership, control, direction or economic exposure over Awalé

securities through market transactions, private agreements, treasury issuances, secondary offerings, exercise of options, convertible securities, derivatives, swaps or otherwise, or change its plans or intentions in the future with respect to any and/or all matters referred to in Item 5 above. The Purchased Units will be subject to a statutory hold period of four months.

## **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

See Items 2.2 above and 3.1 above.

The Company and Orecap are party to an investor rights agreement dated May 24, 2023 (the “**Investor Rights Agreement**”) that provides Orecap with the right to elect two nominees to the Board for so long as Orecap beneficially owns or exercises control and/or direction over not less than 10% of the issued and outstanding Common Shares.

The Investor Rights Agreement also provides Orecap with the right to participate in future financings to maintain its ownership percentage so long as Orecap beneficially owns or exercises control and/or direction over not less than 10% of the issued and outstanding Common Shares.

The summary of the Investor Rights Agreement is qualified in their entirety by the complete text of the Investor Rights Agreement, available under Awalé's profile on SEDAR at <http://www.sedar.com>.

## **Item 7 – Change in material fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

Not applicable.

## **Item 8 – Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

**Item 9 – Certification**

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

May 24, 2023

**ORECAP INVEST CORP.**

by (signed) "Stephen Stewart"  
Name: Stephen Stewart  
Title: CEO