



**GFG Resources Inc.
Charter of the Board of Directors**

I. Purpose

The Board of Directors (the “Board”) of GFG Resources Inc. (the “Company”), elected by the Company’s shareholders, is responsible for the stewardship and oversight of the management of the Company and its business. Directors shall exercise their business judgement in a manner consistent with their fiduciary duties. In particular, directors are required to act honestly and in good faith, with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board may delegate certain of its responsibilities and authority to management or through duly appointed and constituted committees of the Board in accordance with applicable laws.

II. Composition

The Board shall be comprised of that number of Directors as shall be determined from time to time by the Board, subject to the approval of the Company’s shareholders in accordance with the Company’s Notice of Articles and Articles.

III. Meetings

The time and place of the meetings shall be held and the calling of the meetings and procedure in all things at these meetings shall be determined by the Board in accordance with the Company’s Notice of Articles, Articles and applicable laws. A majority of the members of the Board of Directors shall constitute a quorum.

The Chair of the Board, in consultation with the appropriate members of management, develops the agenda for Board Meetings. Information and materials that are important to the Board’s understanding of the agenda items are distributed in advance of the meeting.

Board members are expected to attend the Annual Meeting of Shareholders and all meetings of the Board and committees, in person or via teleconference, on which they serve. Directors must notify the Chair of the Board of circumstances preventing attendance at a meeting.

IV. Duties and Responsibilities

Managing the Affairs of the Board

The Board operates by delegating certain of its responsibilities and authority, including spending authorizations, to management and its committees and by reserving certain powers for itself. Any responsibility not delegated to management or a committee of the

Board remains with the Board. Subject to the Notice of Articles and Articles of the Company, the Board retains the responsibility for managing its own affairs, including:

- a) planning its composition and size;
- b) selecting its Chair and approving the Chair's position description;
- c) nominating candidates for election to the Board;
- d) determining independence of Board members;
- e) appointing committees of the Board, membership of directors thereon, and its Chair; and
- f) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

Strategy and Plans

The Board has the responsibility to:

- a) participate in strategic planning sessions to ensure that management develops, and ultimately approves, major corporate strategies and objectives;
- b) monitor management's achievements in implementing major corporate strategies and objectives, in light of changing circumstances;
- c) approve annual operating and capital plans including spending limits and authorizations; and
- d) review and approve material transactions not in the ordinary course of business.

Management and Human Resources

The Board has the responsibility for:

- a) the appointment and succession of the Chief Executive Officer (the "CEO") and monitoring CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;
- b) approving a position description for the CEO;
- c) reviewing CEO performance at least annually, against agreed-upon written objectives;
- d) approving decisions relating to senior management, including the:
 - i) appointment and discharge of officers of the Company and members of the senior leadership team;
 - ii) compensation and benefits for members of the senior leadership team;
 - iii) acceptance of outside directorships on public companies by executive officers;
 - iv) monitoring annual corporate objectives utilized in determining incentive compensation or other awards to officers;
- e) approving all awards of stock, stock options and other incentive compensation awards and other compensation to directors, management and employees pursuant to the Company's compensation plans and programs;

- f) taking all reasonable steps to ensure succession planning programs are in place, including programs to train and develop management; and
- g) determining director compensation.

Exploration Programs

The Board has the responsibility for:

- a) the annual review of the Company's exploration work programs and budgets;
- b) the integrity of the Company's scientific and technical disclosure reporting system;
- c) the Company's compliance with legal and regulatory requirements related to exploration results, preparation and disclosure;
- d) the qualifications, independence and adequacy of the Company's independent engineering consultants;
- e) the qualifications of the Company's Qualified Persons; and
- f) the business practices and ethical standards of the Company in relation to the preparation and disclosure of exploration results.

Financial and Corporate Issues

The Board has the responsibility to:

- a) take reasonable steps to ensure the implementation and integrity of the Company's internal control and management information systems;
- b) monitor operational and financial results;
- c) approve annual financial statements and related Management's Discussion and Analysis, review quarterly financial results and approve the release thereof by management;
- d) approve the Management Proxy Circular and, if applicable, Annual Information Form;
- e) approve issuance of securities of the Company;
- f) approve appointment and monitor independence of external auditors;
- g) approve banking resolutions and significant changes in banking relationships;
- h) approve appointments, or material changes in relationships with, corporate trustees;
- i) approve contracts, leases and other arrangements or commitments that may have a material impact on the Company;
- j) approve spending authority guidelines; and
- k) approve the commencement or settlement of litigation that may have a material impact on the Company.

Business and Risk Management

The Board has the responsibility to:

- a) take all reasonable steps to ensure that management has identified the principal risks of the Company's business and implemented appropriate strategies to manage these risks, understands the principal risks and achieves a proper balance between risks and benefits; and
- b) review reports on operating and capital commitments and expenditures relative to approved budgets.

Policies and Procedures

The Board has responsibility to:

- a) monitor compliance with all significant policies and procedures by which the Company is operated;
- b) provide policy direction to management while respecting their responsibility for day-to-day management of the Company's businesses;
- c) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct and ethics; and
- d) ensure appropriate standards of corporate conduct including adopting a code of business conduct and ethics for all employees, officers and directors, and monitoring compliance with such code.

Compliance Reporting and Corporate Communications

The Board has the responsibility to:

- a) take all reasonable steps to ensure the Company has in place effective disclosure and communication processes with shareholders and other stakeholders and financial, regulatory and other recipients;
- b) take all reasonable steps to ensure that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- c) take all reasonable steps to ensure that financial results are reported fairly and in accordance with international financial reporting standards;
- d) take all reasonable steps to ensure the timely reporting of any other developments that have significant and material impact on the Company; and
- e) report annually to shareholders on the Board's stewardship for the preceding year.



General Legal Obligations of the Board of Directors

The Board is responsible for:

- a) directing management to ensure legal requirements have been met and documents and records have been properly prepared, approved and maintained;
- b) approving changes in the Notice of Articles and Articles, matters requiring shareholder approval, and agendas for shareholder meetings; and
- c) performing such functions as it reserves to itself or which cannot, by law, be delegated to committees of the Board or to management.