

CODE OF BUSINESS CONDUCT AND ETHICS

1.0 Purpose

To state the standards of conduct expected from every director, officer, employee, consultant and contractor of GFG Resources Inc. (“GFG”) and its subsidiaries (collectively the “Company”).

2.0 Scope

All directors, officers, employees, consultants and contractors of the Company in both countries in which GFG conducts business.

3.0 Policy

GFG expects its directors, officers, employees, consultants, and contractors to comply with its principles. The Company’s core principles are:

- Act honestly and with integrity in all situations and at all times;
- Respect people’s opinions and cultural differences;
- Conduct honest and open communications;
- Be professional in everything it does;
- Accept individual responsibility; and
- Operate a safe and healthy working environment.

The Company values honesty, high ethical standards and compliance with laws, rules and regulations.

This Code of Business Conduct and Ethics (the “Code”) is designed to give a clear understanding of the conduct expected of directors, officers, employees, consultants and contractors of the Company. **Please read this Code carefully. In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. Any questions regarding this Code may be directed to the Audit Chair or Chief Financial Officer.**

This Code seeks to deter wrongdoing and promote honest and ethical behaviour and fair dealing by directors, officers, employees, consultants, and contractors of the Company. This Code also seeks to promote these values in respect of the Company’s dealings with its security holders, customers, and others.

Accounting Requirements

The Company is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, Canadian securities regulatory authorities, the TSX Venture Exchange, as well as in other public communications. All employees or consultants responsible for the preparation of the Company’s public disclosures, or who provide information as part of the process, must ensure that disclosures are prepared and information is provided honestly, accurately and in compliance with the various disclosure controls and procedures of the Company.

The Company’s financial statements shall be prepared in accordance with International Financial Reporting Standards.

It is the Company’s policy that all transactions will be accurately reflected in its books and records. Employees and consultants, if any, are expected to record all transactions accurately in the Company’s

books and records. Employees are responsible for establishing and managing financial reporting systems to ensure that:

- All business transactions are properly authorized;
- All records fairly and accurately reflect the transactions or occurrences to which they relate;
- All records fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- The Company's accounting records do not contain any false or intentionally misleading entries; and
- All transactions are supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

In addition, no information may be concealed from the Company's external auditors, the Board or the Audit Committee of the Board. Compliance with Canadian securities laws is mandatory.

Responsibility, Accountability and Integrity

The Audit Committee is responsible for monitoring compliance with this Code.

The Company has the responsibility to communicate this Code to all directors, officers, employees, consultants and contractors at the time of hire and on an annual basis thereafter.

All directors, officers, employees, consultants and contractors have the responsibility to understand and conduct themselves in accordance with this Code and to disclose any actual or potential breaches of the provisions of this Code.

The Chief Financial Officer is responsible for the establishment of appropriate policies, guidelines, procedures and processes for administering this Code; for communicating new policies, procedures and updates to the Board; for receiving reports and disclosures under this Code; and for providing independent expert advice on interpretations or breaches of this Code to the Audit Chair.

All employees, consultants and contractors are responsible for disclosing all actual or potential violations of the Code to the Chief Financial Officer; and, when uncertain about any aspects of this Code, consulting with the Chief Financial Officer.

Directors, officers, employees, consultants and contractors must demonstrate integrity in the utilization of resources, the treatment of suppliers and other employees and in the general conduct of business.

This Code outlines a framework of guiding principles. As with any statement of policy, the exercise of judgment is required in determining the applicability of this Code to each individual situation.

The agreement to comply with this Code is a condition of appointment as a director and is a condition of employment or a requirement for provision of services, as the case may be.

Compliance with Law

Each director, officer, employee, consultant and contractor must at all times comply fully with applicable law and should avoid any situation that could be perceived as improper or unethical. No director, officer, employee, consultant or contractor should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice. Employees who fail to comply with applicable laws, rules and regulations applicable to our business will be subject to disciplinary action, up to and including dismissal from the Company.

In discharging their duties, directors, officers, employees, consultants and contractors are obligated to act

honestly, ethically, in good faith and with the best interests of the Company in mind.

No director, officer, employee, consultant or contractor shall commit or condone an illegal act or instruct another director, officer or employee to do so.

Where directors, officers, employees, consultants are uncertain how to handle a given situation, they are expected to seek clarification from the Audit Chair or Chief Financial Officer.

Conflicts of Interest

Directors, officers, employees, consultants and contractors must avoid conflicts of interest with the Company. A conflict of interest may be actual, apparent or potential and exists whenever an individual's personal interests directly or indirectly interfere or conflict or appear to interfere or conflict with their obligation to act in the best interests of the Company. Conflicts of interest also arise when you, or a member of your family, receive improper personal benefits as a result of your position in the Company.

Conflicts of interest include benefitting personally from an opportunity discovered through the use of corporate information or position, or the use of corporate property, whether direct or indirect.

No employee, consultant or contractor may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with the Company, where by virtue of his or her position with the Company, the director, officer, employee, consultant or contractor could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the Company unless that interest has been fully and appropriately disclosed.

Full disclosure in writing of any such actual, apparent or potential conflicts of interest enables directors, officers, employees, consultants and contractors to resolve unclear situations and provides an opportunity to dispose of conflicting interests before any difficulty arises. Directors and officers must also make appropriate disclosure in accordance with applicable laws. Disclosure processes are outlined in more detail in the "Disclosure" section of this Code.

During work hours, officers and employees of the Company should devote their full time and attention to the Company and their assigned duties. Unrelated outside activities, business, or secondary employment or consulting, are not permitted during work hours.

An officer or employee of the Company may serve as a director of any corporation without the prior written approval of the Board; provided it does not interfere with or impair the officer or employee's ability to perform their duties at the Company and represents a commitment of personal time. For greater certainty, no officer or employee of the Company may serve as a director of any other corporation where such directorship will or may give rise to a conflict of interest or perceived conflict of interest, without the prior written approval of the Board.

Directors, officers, employees, consultants or contractors who perceive a conflict between this Code and any professional code of conduct or ethics to which they are subject should consult the Audit Chair or Chief Financial Officer.

Confidentiality and Integrity of Information

Directors, officers, employees, consultants and contractors should at all times maintain the confidentiality of confidential information, in whatever form or however stored or transmitted, and must not make use of or reveal such information or records except as may be duly and appropriately required in the course of performing their duties or when legally mandated or unless the documents or information become a matter of public knowledge.

Directors, officers, employees, consultants and contractors may not use confidential information obtained through their association or employment with the Company for inappropriate purposes including the furtherance of their own private interests or the private interests of their friends, relatives, or associates. Such conduct is potentially harmful to the Company, its employees, consultants, contractors, suppliers and securityholders and, in some cases, illegal. The obligation to preserve confidential information continues after you leave the Company.

Confidential information is only to be divulged to those parties who are authorized to receive it.

Insider trading is unethical and illegal. Directors, officers, employees, consultants and contractors are not to trade in the securities of the Company if they are in possession of material information that has not been generally disclosed in the marketplace. It is also illegal to “tip” or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further. Material information is any information relating to the Company that, if generally known, might reasonably be expected to have a significant effect on the market price or value of any securities of the Company. **[For more complete information, refer to the Company’s Corporate Disclosure and Insider Trading Policy].**

Use of Company Property

The assets of the Company, such as funds, computers, corporate information, data, information system assets, office equipment, tools, vehicles, supplies, facilities and services, must only be used in the course of carrying out the bona fide business purposes of the Company. Assets may never be used for illegal purposes.

Directors, officers, employees, consultants and contractors are entrusted with the care, management and cost-effective use of the Company’s property, including the use of the Company’s name, and should not make use of these resources for their own personal gain or purposes. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Directors, officers, employees, consultants and contractors should ensure that all property of the Company assigned to them is maintained in good condition and, while assigned to them, such directors, officers, employees, consultants and contractors should be able to account for such property.

Directors, officers, employees, consultants or contractors may not dispose of property except in accordance with guidelines established by the Company.

Entertainment, Gifts and Favours

It is essential to the promotion of fair dealings and efficient business practices that all those who engage in business with the Company as suppliers, consultants or contractors, have access to the Company on equal terms.

Gifts may be received by or given to directors, officers, employees, consultants or contractors on occasion but they must always be of such form and substance that they could not influence such person’s judgment with respect to the giver. When in doubt, directors, officers, employees, consultants and contractors should review the circumstances with the Audit Chair or Chief Financial Officer.

Similarly, directors, officers, employees, consultants and contractors may not offer or solicit gifts or favours in order to secure preferential treatment for themselves or the Company. These same rules apply to employees offering gifts and entertainment to our business associates. Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons.

Gifts and entertainment may only be accepted or offered by a director, officer, employee, consultant or contractor in the normal exchanges common to and generally accepted in established business relationships. An exchange of such gifts shall create no sense of obligation. The value of gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals.

Strict rules apply when we do business with governmental agencies and officials, whether in Canada or in the United States, as discussed in more detail below. Payment or acceptance of any “kickbacks” from a contractor or other external party is strictly prohibited. Because of the sensitive nature of these relationships, discussions with the Chief Financial Officer before offering or making any gifts or hospitality to governmental employees.

Payment to Domestic and Foreign Officials

Employees must comply with all laws prohibiting improper payments to domestic and foreign officials. Although certain types of “facilitation” payments may not be illegal, the Company’s policy is to avoid making such payments. If any employee finds that adherence to the Company’s policy would cause a substantial, adverse effect on operations, that fact should be reported to the Chief Financial Officer, who will determine whether an exception may lawfully be authorized. If a facilitation payment is made, such payment must be properly entered and identified on the books of the Company and all appropriate disclosures made.

Violation of laws relating to improper payments to domestic and foreign officials is a criminal offence and a person who contravenes these laws may be made guilty of an indictable offence and liable to imprisonment. Examples of laws to which the Company is subject and abides by include the Corruption of Foreign Public Officials Act (Canada) and the Foreign Corrupt Practices Act (U.S.A.). Non-compliance could have serious ramifications.

Environment and Safety

The Company is committed to complying with all environmental legislation, regulations, permits and licenses and to the maintenance of a healthy environment.

The Company is committed to providing a safe and healthy working environment. If an employee, consultant or contractor has any concerns about safety issues he or she must report them immediately to the Chief Financial Officer. Such safety issues include accident, injuries, unsafe equipment, practices or conditions.

Every employee, consultant or contractor has a personal responsibility to take all prudent precautions in every activity to ensure personal safety, and also to avoid creating any danger to others. In order to protect the safety of all employees, you must report to work free from the influence of any substance that could prevent you from conducting work activities safely and effectively.

Professional Development

The Company encourages and supports the professional development of its directors, officers and employees. Where directors, officers or employees are members of a recognized profession, they are expected to:

- keep abreast of professional developments in their field;
- perform their duties in accordance with the recognized standards of that profession; and
- abide by any code of ethics adopted by their professional association.

Non-Profit and Professional Associations

The Company supports its directors, officers, employees, consultants and contractors who contribute to their communities through involvement with charitable, community service and professional organizations. If directors, officers, employees, consultants or contractors use the Company resources for such activities they should only do so with prior, appropriate authorization.

In such contexts, directors, officers, employees, consultants and contractors should ensure that they act in their individual capacity and not as a director, officer and employee or representative of the Company, unless duly authorized.

Political Participation

Directors, officers, employees, consultants and contractors are encouraged to participate fully as private citizens in the democratic process at any level.

Directors, officers, employees, consultants and contractors engaging in the political process should do so on their own time and must take care to separate their personal activities from their association with the Company and should not involve the use of the Company's resources. Employees will not be reimbursed for personal political contributions.

Quality of Public Disclosure

The Company is committed to providing information about the Company to the public in a manner that is consistent with all applicable legal and regulatory requirements and that promotes investor confidence by facilitating fair, orderly, and efficient behaviour.

The Company reports and documents filed with or submitted to securities regulators, and the Company's other public communications, must include full, fair, accurate, timely, and understandable disclosure. All employees or consultants who are involved in the disclosure process, including the President and Chief Executive Officer and the Chief Financial Officer, are responsible for ensuring that the Company endeavours to meet such requirements. **[For more complete information on the Company's public disclosure practices, refer to the Company's Corporate Disclosure and Insider Trading Policy].**

Employee and Supplier Privacy

The Company respects the personal privacy of directors, officers, employees, consultants, contractors, suppliers and agents and endeavours to comply with the letter and the spirit of applicable laws and regulations governing the privacy of personal information. Every Company director, officer and employee will have access to our policy on privacy and will be expected to honour its commitments.

Respect in the Workplace

The Company recognizes a shared responsibility on behalf of all directors, officers, employees, consultants and contractors to exercise the basic principles of respect and dignity in all working relationships. All employees, consultants, and contractors must treat one another and all parties who engage in business or other relationships with the Company with dignity and respect. Any form of unlawful harassment or discrimination based on age, gender, race, color, religion, creed, national or ethnic origin, citizenship, linguistic or cultural background, marital or family status, sexual orientation or physical or mental disability will not be tolerated.

The Company insists that directors, officers, employees, consultants, and contractors not engage in abusive,

demeaning, offensive, harassing or discriminatory behaviour of any form, whether verbal, physical or visual.

The Company is committed to promoting equal opportunity in all dealings with directors, officers, employees, consultants, contractors, securityholders and others. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

Use of E-mail, the Internet and Social Media

E-mail systems and Internet services are provided to help you do your work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, unwelcome propositions, ethnic or racial slurs, defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging, gambling, copyright infringement, obtaining illegal software or files, or any other message that could be viewed as harassment.

Your messages (including voice mail) and computer information are considered property of the Company and you should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes.

In order to maintain the consistency and quality of the disclosures by the Company to its securityholders and to better limit the potential for leaks of confidential information or selective disclosure, you should not disclose or discuss matters relating to the Company on blogs, tweets, bulletin boards, social networking sites and other social media sites.

Social Responsibility

The Company endeavours to be a socially responsible corporate citizen.

Disclosure

At the time of appointment or engagement, as the case may be, each director, officer, employee, consultant and contractor of the Company must disclose all interests and relationships of which the director, officer, employee, consultant or contractor is aware at the time of engagement which will or may give rise to a conflict of interest. Directors, employees, consultants, and contractors must make their disclosure to the Chair of the Audit Committee. All disclosures are to be made via the Conflict of Interest Disclosure Statement found at the end of this document. Conflicts of interest must be reported immediately and on an annual basis.

If such an interest or relationship should arise after the individual is appointed or engaged, the individual shall make immediate disclosure of all relevant facts to the same positions referred to above.

In the case of any decision-making process that may result in a benefit to a director, officer or employee's private interests, they will abstain in all respect from participating in that decision-making process.

4. Procedure

Violation of this Code

The Company is determined to behave, and to be perceived, as an ethical corporation. Each director, officer, employee, consultant and contractor must adhere to the standards described in this Code, and to the standards set out in applicable legislation.

In all situations of actual, perceived or suspected conflict with the requirements of this Code, directors,

officers, employees, consultants, and contractors must report the details of any such circumstances. Directors, officers, employees, consultants, and contractors should report any such circumstances to the Audit Committee Chair. Retaliatory action is prohibited against any individual who in good faith reports a possible violation. On the other hand, reports that are not made in good faith, such as reports intentionally providing false information or made maliciously to harm the Company or another employee or contractor will not be tolerated. Disciplinary action, up to and including termination of employment or services, may be taken against an employee or contractor knowingly making false reports.

The failure by an employee, consultant or contractor to adhere to these standards could lead to disciplinary action, including termination. The failure by a director to adhere to these standards could lead to a request for resignation.

Exemptions or Waivers from Code Requirements

In extraordinary circumstances and where it is clearly in the best interests of the Company to do so, the Board, a committee of the Board or, in some cases, the President and Chief Executive Officer, may grant a waiver from the requirements of this Code to allow the continuation of circumstances that would otherwise be considered an actual or apparent conflict of interest under this Code or that would be considered a breach of this Code.

Any waivers from the Code that are granted for the benefit of directors, officers, employees consultants or contractors will be granted by the Board or a committee of the Board and, any such waiver, together with the reasons for the waiver, will be disclosed as required by applicable laws, regulations and listing standards. All exemptions, waivers, or amendments in favour of any officer or director shall be disclosed promptly as may be required by law.

Clarification

Directors, officers, employees, consultants and contractors who require advice on a particular Code item should seek clarification of the Code from the Audit Chair or Chief Financial Officer.

The privacy of a director, officer, employee, consultant or contractor who discloses a breach or potential breach of any provision of this Code will be respected as much as possible in the circumstances, subject to applicable law.

Management of the Company is responsible for ensuring that any individual who, in good faith, has made a disclosure of a breach or potential breach of this Code does not suffer any adverse consequences as a result.

Commitment

To demonstrate our determination and commitment, the Company asks each director, officer, employee, consultant and contractor to review the Code periodically throughout the year. Each director, officer, employee, consultant and contractor should take the opportunity to discuss with the Audit Chair or Chief Financial Officer, any circumstances that may have arisen that could be an actual or potential violation of the ethical standards of conduct in this Code.

To monitor compliance with the Code, directors, officers, employees, consultants and contractors will be periodically required to confirm that they have complied with the Code for the specified time period, and that they will continue to comply with it in the future.

Any substantive change to this Code must be in writing, approved by the Board and will be disclosed as required by applicable laws, regulations and listing standards.

Code of Business Conduct and Ethics

ACCEPTANCE AND AGREEMENT

I acknowledge that I have read and considered the GFG Resources Inc. Code of Business Conduct and Ethics Policy and agree to conduct myself in accordance with this Code. If I have any questions about the Policy, I understand that I may ask the Audit Chair or Chief Financial Officer for clarification at any time.

Name:

Signature:

Date:

Conflict of Interest Disclosure Statement

A conflict of interest may be actual, apparent or potential and exists whenever an individual's personal interests directly or indirectly interfere or conflict or appear to interfere or conflict with one's obligation to act in the best interests of the Company.

Have there been any circumstances that would give rise to a conflict or potential conflict of interest in your current activities or those upcoming over the next year?

Yes No

If yes, please provide a detailed description below and forward to the Audit Chair or Chief Financial Officer, as applicable.

I certify that the information contained in this Disclosure Statement is true and correct to the best of my knowledge. I acknowledge that if any matter arises that gives rise to a conflict of interest or potential conflict of interest prior to the time of filing my next Disclosure, I will promptly notify the appropriate individuals in writing.

Name:

Signature:

Date: