

## Offering Document under the Listed Issuer Financing Exemption

Amended and Restated March 2, 2023

GFG Resources Inc. (“GFG” or the “Company”)

### PART 1 SUMMARY OF OFFERING

#### What are we offering?

<b>Offering:</b>	<p>The Offering will consist of any combination of (i) units of the Company (“Units”) at a price of C\$0.13 per Unit; (ii) common shares of the Company that will qualify as “flow-through shares” for the purposes of the <i>Income Tax Act</i> (Canada) (“FT Shares”) at a price of C\$0.15 per FT Share; and (iii) premium units of the Company (“Premium Units”) at a price of C\$0.1866 per Premium Unit, subject to maximum aggregate gross proceeds of C\$4.2 million. Each Unit shall consist of one common share of the Company (which shall not be a “flow-through share”) and one-half of one share purchase warrant, with each whole share purchase warrant (a “Warrant”) entitling the holder thereof to acquire one additional common share of the Company (which shall not be a “flow-through share”) at an exercise price of C\$0.18 for a period of 36 months from the date of issuance. Each Premium Unit shall consist of one FT Share (a “Premium FT Share”) and one-half of one Warrant.</p> <p>If during the exercise period of the Warrants the closing price of the common shares of the Company is at a price equal to or greater than \$0.26 for a period of 10 consecutive trading days, GFG will have the right to accelerate the expiry date of the Warrants by giving notice, via a news release, to the holders of the Warrants that the Warrants will expire on the date that is 30 days after the issuance of said news release.</p>
<b>Offering Price:</b>	<p>(i) \$0.13 per Unit (ii) \$0.1866 per Premium Unit (iii) \$0.15 per FT Share</p>
<b>Offering Amount:</b>	Any combination of Units, FT Shares and Premium Units to raise aggregate gross proceeds of up to C\$4,200,000.
<b>Closing Date:</b>	On or about March 15, 2023 (the “Closing Date”).
<b>Exchange:</b>	The common shares of the Company (“Common Shares”) are listed on the TSX Venture Exchange (the “TSXV”) under the trading symbol GFG.
<b>Last Closing Price:</b>	The last closing price of the Common Shares on the TSXV on February 16, 2023, was \$0.15, and on February 28, 2023 was \$0.125.

*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

GFG is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the issuer represents the following is true:

- The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The issuer has filed all periodic and timely disclosure documents that it is required to

have filed.

- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000.**
- **The issuer will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This offering document contains “forward-looking information” within the meaning of applicable Canadian and United States securities laws, which is based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this offering document are made only as of the date of this offering document. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning future exploration plans at the Company’s mineral properties, including exploration timelines and anticipated costs; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; raising the minimum or maximum proceeds of the Offering; and completion of the Offering and the date of such completion. Forward-looking statements or forward-looking information relate to future events and future performance and include statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking statements and forward-looking information often, but not always, can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or forward-looking information, including, without limitation, risks and uncertainties relating to: general business and economic conditions; regulatory approval for the Offering; completion of the Offering; changes in commodity prices; changes in project parameters as exploration plans continue to be refined; costs of exploration including labour and equipment costs; risks and uncertainties related to the ability to obtain or maintain necessary licenses, permits or surface rights; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors; market competition; exploration results not being consistent with the Company’s expectations; the ability to obtain or maintain necessary licenses, permits, or water access; changes in environmental regulation; environmental compliance issues; and other risks of the mining industry. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the

Company's annual filings that are available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

## **PART 2 SUMMARY DESCRIPTION OF BUSINESS**

### **What is our business?**

GFG is a North American precious metals exploration company focused on district scale gold projects in tier one mining jurisdictions, Ontario and Wyoming. In Ontario, the Company operates three gold projects, each large and highly prospective gold properties within the prolific gold district of Timmins, Ontario, Canada. The projects have similar geological settings that host most of the gold deposits found in the Timmins Gold Camp which have produced over 70 million ounces of gold. The Company also owns 100% of the Rattlesnake Hills Gold Project, a district scale gold exploration project located approximately 100 km southwest of Casper, Wyoming, U.S. In Wyoming, the Company has partnered with Group 11 Technologies Inc. through an option and earn-in agreement to advance the Company's Rattlesnake Hills Gold Project with a technology that could revolutionize the gold mining industry.

### **Recent developments**

On February 8, 2023, the Company released results of an additional eight of seventeen drill holes from its 2022 Phase 2 drill program at the Montclerg Gold Project, located 40 kilometres east of Timmins, On.

On January 18, 2023, the Company released the first four drill hole results from its 2022 Phase 2 drill program at the Montclerg Gold Project.

On October 21, 2022, the Company made the first of two anniversary payments pursuant to an option agreement (the "Agreement") with International Explorers and Prospectors Inc. ("IEP"). Pursuant to the Agreement, GFG issued a total of 5,353,721 Common Shares to IEP at a deemed value of C\$0.0934 per Common Share based on the VWAP for the five previous trading days.

On October 6, 2022, the Company closed a non-brokered private placement with the issuance of: (i) 7,200,909 units of the Company at a price of C\$0.11 per unit for gross proceeds of C\$792,100; (ii) 4,627,153 Common Shares that qualified as "flow-through shares" for the purposes of the *Income Tax Act* (Canada) at a price of C\$0.13 per share for gross proceeds of C\$601,530; and (iii) 4,183,810 premium units of the Company at a price of C\$0.1573 per premium unit for gross proceeds of C\$658,113. Each unit consisted of one Common Share (which was not a "flow-through share") and one-half of one share purchase warrant, with each whole share purchase warrant entitling the holder thereof to acquire one additional Common Share (which was not a "flow-through share") at an exercise price of C\$0.17 for a period of 24 months from the date of issuance. Each premium unit consisted of one flow-through share and one-half of one warrant bearing the same terms as the share purchase warrants comprising the units.

### **Aljo Mine Claims**

On April 27, 2022, the Company announced that it had finalized the acquisition of a 100% interest in

14 unpatented mining claims (the "Aljo Mine Claims"), subject to a net smelter royalty return royalty of 2%. The Aljo Mine Claims are adjacent to and form part of, the Company's newly consolidated Goldarm Property, which also includes the Montclerg Gold Project and the WWCC Property, east of the Timmins Gold District. Under the terms of the Aljo Mine agreement, GFG has acquired a 100% interest in the Aljo Mine Claims in consideration of the following:

- The issuance of 700,000 Common Shares on closing of the Aljo Mine agreement (issued);
- The completion of a cash payment of \$50,000 to the vendors (paid);
- The grant to the vendors of a 2% NSR with the right to buy-back one half (1%) of the NSR for \$1,000,000; and
- The undertaking to make a success payment of \$1.0 million in cash within 60 days of announcement of any National Instrument 43-101 ("NI 43-101") compliant mineral resource of 1,000,000 million ounces of gold on the Aljo Mine Claims.

### **WWCC Acquisition**

On April 13, 2022, the Company announced that it had completed its initial obligations under a definitive agreement (the "WWCC Agreement") with IEP to acquire a 100% interest in the 6,500-hectare WWCC property. Under the terms of the WWCC agreement, GFG has the right to acquire 100% interest in the WWCC property over a four-year period, subject to a net smelter return royalty of up to a maximum of 2% (the "IEP Royalty") by:

- The issuance of an aggregate of 1,016,949 Common Shares (issued);
- The issuance of Common Shares following the anniversary date of the WWCC agreement based on the VWAP for the five trading days immediately preceding the date of each anniversary date as follows:
  - 12 months following the effective date, valued at \$150,000
  - 24 months following the effective date, valued at \$200,000
  - 36 months following the effective date, valued at \$250,000
  - 48 months following the effective date, valued at \$250,000;
- Spending a minimum of \$2.0 million in exploration expenditures over four years on the WWCC property;
- GFG will transfer \$400,000 in assessment credits to IEP within 48 months following the effective date;
- Should GFG make a public announcement of a NI 43-101 compliant Mineral Resource of a minimum of 1,000,000 ounces of gold equivalent on certain claims comprising the WWCC property, GFG will make a one-time payment of \$1.0 million in cash or Common Shares; and
- Should GFG make a subsequent public announcement(s) of a further NI 43-101 compliant Mineral Resource of a minimum of 1,000,000 ounces of gold equivalent on certain claims comprising the WWCC property and that reside outside a two-kilometre ("km") radius from any previous announcement, GFG will make a one-time payment in respect of each such subsequent announcement in the amount of \$1.0 million, in either cash or in Common Shares.

### **Montclerg Acquisition**

On October 25, 2021, the Company announced that it had completed its initial obligations under a definitive agreement (the "Montclerg Agreement") with IEP to acquire a 100% interest in the Montclerg Gold Project. Under the terms of the Montclerg Agreement, GFG has the right to acquire 100% interest in the Montclerg Gold Project, subject to a net smelter royalty of up to 2% on certain of the claims, by:

- The issuance of an aggregate of 7,423,905 Common Shares (issued);

- The issuance of Common Shares 12 months following the date of the Montclerg Agreement, valued at \$500,000, based on the VWAP for the five trading days immediately preceding the 12-month anniversary of the Montclerg Agreement;
- The issuance of Common Shares 24 months following the date of the Montclerg Agreement, valued at \$500,000, based on the VWAP for the five trading days immediately preceding the 24-month anniversary of the Montclerg Agreement;
- Spend a minimum of \$1.0 million in exploration expenditures over 24 months on the project following the date of the Montclerg Agreement (incurred); and
- GFG will transfer \$1.0 million in assessment credits of which, \$500,000 will be transferred to IEP within 6 months following the date of the Montclerg Agreement (complete) and the remaining \$500,000 will be transferred 18 months following the date of the Montclerg Agreement.

### **Material facts**

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

### **What are the business objectives that we expect to accomplish using the available funds?**

The Company intends to use the net proceeds from the Offering for the exploration of the Company's Montclerg and Goldarm Properties, other exploration work, and for general corporate and working capital purposes. With the anticipated minimum funding, the Company's priorities are to:

1. Complete ongoing exploration and drilling programs at the Montclerg Property over the next 12 months. The programs include 5,000 to 6,000 metres of drilling and surface exploration activities that include till and sampling, geochemistry and geophysics analysis; and
2. Complete surface exploration and drilling programs at the Goldarm Property over the next 12 months. The programs include 3,000 to 4,000 metres and surface exploration activities that include till and sampling, geochemistry and geophysics analysis.

The Company intends to use the net proceeds from the sale of Units and the Warrants comprising, in part, the Premium Units, for working capital and general corporate purposes over a period of 12 months following closing of the Offering.

### PART 3 USE OF AVAILABLE FUNDS

#### What will our available funds be upon the closing of the offering?

The expected availability of funds is set forth below:

		Assuming 100% of offering
A.	Amount to be raised by this offering	\$4,200,000
B.	Selling commissions and fees	\$100,000
C.	Estimated offering costs (e.g., legal, accounting, audit)	\$15,000
D.	Net proceeds of offering: $D = A - (B+C)$	\$4,085,000
E.	Working capital as at most recent month end (deficiency)	\$1,000,000
F.	Additional sources of funding	\$0
G.	<b>Total available funds: <math>G = D+E+F</math></b>	<b>\$5,085,000</b>

#### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of offering
Ongoing exploration and drilling program on the Goldarm Property which includes the Montclerg Gold Project	\$2,800,000
General and administrative expenses	\$1,300,000
Unallocated working capital	\$985,000
<b>Total</b>	<b>\$5,085,000</b>

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. The Company is still in the exploration stage and the Company has not yet

generated positive cash flows from its operating activities, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to permit the Company to continue to explore its properties and conduct additional drilling and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

**How have we used the other funds we have raised in the past 12 months?**

<b>Previous financing activity</b>	<b>Intended Use of Funds</b>	<b>Use of Funds to Date</b>
\$2.05 million Non-Brokered Private Placement in October 2022	Montclerg and Goldarm properties, general working capital	\$1,100,000 <sup>(1)</sup>

- (1) The Company has allocated the funds to date towards the Montclerg and Goldarm properties and general working capital. There are no variances between the previously disclosed use of funds and the use of such funds to date.

**PART 4 FEES AND COMMISSIONS**

**Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?**

<b>Agent:</b>	Unknown/To be determined
<b>Compensation Type:</b>	Cash fee.
<b>Cash Commission:</b>	6.0% cash fee

**Does the Agent have a conflict of interest?**

NA

## **PART 5 PURCHASERS' RIGHTS**

### **Rights of Action in the Event of a Misrepresentation**

**If there is a misrepresentation in this offering document, you have a right**

- (a) to rescind your purchase of these securities with GFG, or**
- (b) to damages against GFG and may, in certain jurisdictions, have a statutory right to damages from other persons.**

**These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.**

**If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.**

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

## **PART 6 ADDITIONAL INFORMATION**

### **Where can you find more information about us?**

Security holders can access GFG's continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com) under GFG's profile.

For further information regarding GFG, visit our website at: [www.gfgresources.com](http://www.gfgresources.com)

Unless otherwise noted, all currency amounts are expressed in Canadian dollars.

***Investors should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of Units, FT Shares and/or Premium Units.***



## **PART 7 DATE AND CERTIFICATE**

**This offering document, together with any document filed under Canadian securities legislation on or after March 2, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

**March 2, 2023**

By: “Brian Skanderbeg”  
Name: Brian Skanderbeg  
Title: Chief Executive Officer and Director

By: “Rick Johnson”  
Name: Rick Johnson  
Title: Chief Financial Officer and Corporate Secretary