



GFG Resources Inc.

Condensed Interim Consolidated Financial Statements

(Unaudited)

For the three and nine months ended March 31, 2025 and 2024

Expressed in Canadian Dollars

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of GFG Resources Inc. for the three and nine months ended March 31, 2025 and 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instruments 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements.

GFG RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	March 31, 2025	June 30, 2024
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents (Note 3)	3,522,675	2,147,401
Receivables (Note 4)	254,751	74,180
Reclamation bond (Note 5)	314,834	-
Prepaid expenses	187,183	91,747
Investment (Note 6)	515,036	-
Promissory note receivable (Note 7)	907,088	-
	5,701,567	2,313,328
Non-Current Assets		
Deposits	13,183	21,477
Exploration and evaluation assets (Note 8 and 15)	35,825,667	32,462,507
Property and equipment (Note 9)	29,784	60,484
Reclamation bond (Note 5)	-	299,745
	41,570,201	35,157,541
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	1,321,925	591,091
Flow-through share premium liabilities (Note 11)	-	355,007
Lease liability (Note 12)	24,155	37,341
Advance (Note 13)	21,564	20,044
	1,367,644	1,003,483
Non-Current Liabilities		
Lease liability (Note 12)	-	14,059
Asset retirement obligation (Note 14)	-	284,733
Deferred tax liability	328,100	148,000
	1,695,744	1,450,275
Shareholders' Equity		
Share capital (Note 15)	59,228,814	55,008,932
Reserves (Note 15)	3,513,545	3,558,454
Accumulated other comprehensive loss	(678,440)	(678,440)
Deficit	(22,189,462)	(24,181,680)
	39,874,457	33,707,266
	41,570,201	35,157,541

Going concern (Note 1)

Subsequent events (Note 20)

"Patrick Downey"

Patrick Downey, Chair

"Arnold Klassen"

Arnold Klassen, Audit Chair

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GFG RESOURCES INC.

Condensed Interim Consolidated Statements of Net Income (Loss)

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	\$	\$	\$	\$
Expenses				
Bank charges and interest	664	410	2,071	1,211
Consulting fees	-	-	-	29,866
Depreciation (Note 9)	8,713	8,516	26,367	25,550
Directors' fees (Note 17)	19,369	18,250	55,868	54,749
Insurance	12,972	14,986	39,011	44,900
Investor relations (Note 17)	146,240	135,124	459,929	377,210
Memberships and dues	22,268	27,490	29,502	34,794
Professional fees	35,800	19,165	99,302	79,287
Property holding costs (Note 8)	-	5,492	-	199,791
Office	15,047	9,796	50,002	35,608
Regulatory and filing fees	18,108	14,423	30,494	33,185
Rent	8,622	32,043	25,536	94,935
Salaries and benefits (Note 17)	136,651	134,023	386,351	377,600
Share-based compensation (Note 15 and 17)	160,337	110,750	239,136	199,238
Travel	63	138	5,079	4,312
	(584,854)	(530,606)	(1,448,648)	(1,592,236)
Other income (loss)				
Interest and other expense	(2,172)	(2,425)	(10,032)	(8,118)
Recovery of premium on flow-through shares (Note 11)	136,185	96,483	355,007	545,382
Foreign exchange gain	(415)	6,746	23,538	9,984
Gain on sale of the Rattlesnake property (Note 8)	-	-	3,048,211	-
Loss on sale of equipment (Note 9)	-	-	(4,333)	-
Change in fair value of investment (Note 6)	9,200	-	24,905	-
Interest income	34,220	2,530	72,917	61,104
Other income	32,162	-	110,753	-
	209,180	103,334	3,620,966	608,352
Net income (loss) before income taxes	(375,674)	(427,272)	2,172,318	(983,884)
Income tax expense - deferred	(106,000)	-	(180,100)	-
Net income (loss)	(481,674)	(427,272)	1,992,218	(983,884)
Basic and diluted income (loss) per share (Note 16)	(0.00)	(0.00)	0.01	(0.00)
Weighted average number of common shares - basic	269,161,250	212,951,185	253,741,846	211,511,407
Weighted average number of common shares - diluted	269,161,250	212,951,185	255,117,886	211,511,407

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GFG RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the Three and Nine Months Ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares Issued	Share Capital	Obligation to Issue Shares	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance at June 30, 2024	240,573,879	55,008,932	-	3,558,454	(678,440)	(24,181,680)	33,707,266
Warrants exercised, net of issue costs (Note 15 (b))	28,557,907	3,711,029	-	-	-	-	3,711,029
Fair value of warrants exercised (Note 15)	-	285,579	-	(285,579)	-	-	-
Exercise of stock options (Note 15 (b))	883,929	137,747	-	-	-	-	137,747
Transfer to share capital	-	85,527	-	(85,527)	-	-	-
Share-based compensation (Note 15)	-	-	-	326,197	-	-	326,197
Net income	-	-	-	-	-	1,992,218	1,992,218
Balance at March 31, 2025	270,015,715	59,228,814	-	3,513,545	(678,440)	(22,189,462)	39,874,457
Balance at June 30, 2023	209,416,017	52,593,681	-	3,156,058	(678,440)	(22,935,309)	32,135,990
Shares issued for exploration and evaluation assets (Note 15 (c))	3,535,168	318,165	-	-	-	-	318,165
Obligation to issue shares (Note 15 (c))	-	-	320,920	-	-	-	320,920
Share-based compensation (Note 15)	-	-	-	252,636	-	-	252,636
Net loss	-	-	-	-	-	(983,884)	(983,884)
Balance at March 31, 2024	212,951,185	52,911,846	320,920	3,408,694	(678,440)	(23,919,193)	32,043,827

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GFG RESOURCES INC.**Condensed Interim Consolidated Statements of Cash Flows***(Unaudited - Expressed in Canadian Dollars)*

	Nine Months Ended	
	March 31, 2025	March 31, 2024
	\$	\$
Operating activities		
Net income (loss) before income taxes	2,172,318	(983,884)
Items not affecting cash:		
Accretion interest	3,362	9,631
CEBA loan forgiveness	-	(10,000)
Depreciation	2,933	2,116
Depreciation - right-of-use asset	23,434	23,434
Foreign exchange	(13,569)	(5,494)
Recovery of flow-through share premium	(355,007)	(545,382)
Share-based compensation	239,136	199,238
Interest expense	4,477	8,118
Loss on sale of equipment	4,333	-
Accretion of promissory note	(37,522)	-
Change in fair value of investment	(24,905)	-
Gain on sale of Rattlesnake property	(3,048,211)	-
Change in non-cash working capital items:		
Receivables	(180,571)	83,215
Prepaid expenses and deposits	(87,142)	(28,052)
Accounts payable and accrued liabilities	36,068	75,555
Net cash used in operating activities	(1,260,866)	(1,171,505)
Investing activities		
Exploration and evaluation assets, net of recoveries	(2,581,333)	(1,978,582)
Proceeds from sale of Rattlesnake property	1,400,419	-
Net cash used in investing activities	(1,180,914)	(1,978,582)
Financing activities		
Proceeds from warrant exercises, net of issue costs	3,711,029	-
Proceeds from stock option exercise	137,747	-
Obligation to issue shares	-	320,920
CEBA loan repayment	-	(30,000)
Lease payments	(31,722)	(30,589)
Net cash provided by financing activities	3,817,054	260,331
Increase (decrease) in cash and cash equivalents	1,375,274	(2,889,756)
Cash and cash equivalents, beginning of period	2,147,401	3,484,008
Cash and cash equivalents, end of period	3,522,675	594,252
Non-cash transactions:	\$	\$
Exploration and evaluation assets in accounts payable at period end	694,766	63,057
Shares issued for exploration and evaluation assets	-	318,165
Share-based compensation pertaining to exploration and evaluation assets	87,061	53,398

The accompanying notes are an integral part of these condensed interim consolidated financial statements

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

NOTE 1 - Nature and Continuance of Operations

GFG Resources Inc. (“GFG” or the “Company”) was incorporated on January 24, 2012, under the laws of the Province of British Columbia, Canada. The principal business of the Company is to acquire, explore and develop interests in exploration and evaluation assets. The Company’s head office address is Suite 202 – 640 Broadway Avenue, Saskatoon, Saskatchewan, S7N 1A9. The Company’s common shares are listed under the symbol “GFG” on the TSX Venture Exchange (“TSX-V”) in Canada and on the OTCQB under the symbol “GFGSF” in the United States.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. To date, the Company has not earned significant revenue and has an accumulated deficit of \$22,189,462. The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional funds, which is strongly influenced by exploration success and capital market conditions. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Such adjustment could be material.

NOTE 2 - Basis of Preparation and Statement of Compliance

The condensed interim consolidated financial statements for the three and nine months ended March 31, 2025, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting.

These condensed interim consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company’s most recent audited consolidated financial statements for the year ended June 30, 2024, which were prepared in accordance with IFRS as issued by IASB.

The accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statements for the year ended June 30, 2024.

The condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 14, 2025.

Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except if otherwise noted. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All figures are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of GFG and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership	Principle Activities
GFG Resources (US) Inc.	USA	100%	Mineral exploration
JMO Exploration (US) Inc.	USA	100%	Mineral exploration

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2025 and 2024***(Unaudited - Expressed in Canadian Dollars)***NOTE 2 - Basis of Preparation and Statement of Compliance (continued)**

Subsidiaries are those entities which GFG controls by having the power to govern their financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by GFG and are deconsolidated from the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Critical judgements and estimates

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the year. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could materially differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affect.

The critical judgments and estimates that management have made in the process of applying the Company's accounting policies are disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2024.

NOTE 3 - Cash and cash equivalents

	March 31, 2025	June 30, 2024
	\$	\$
Cash on deposit at bank	395,798	257,086
Redeemable GIC	3,103,766	1,873,000
Cash held in trust account	23,111	17,315
	3,522,675	2,147,401

NOTE 4 - Receivables

	March 31, 2025	June 30, 2024
	\$	\$
GST	222,334	57,434
Interest receivable	30,431	16,746
Other receivable ¹	1,986	-
	254,751	74,180

¹Other receivable includes reimbursable property holding costs at the Rattlesnake Property due to the Company pursuant to the terms of a definitive agreement (the "Rattlesnake Agreement") (see Note 8).

NOTE 5 - Reclamation Bond

The Company has a reclamation bond in the amount of \$314,834 (June 30, 2024 - \$299,745) relating to the Rattlesnake Property. Pursuant to the terms of the Rattlesnake Agreement (see Note 8) the purchaser has assumed all reclamation obligations associated with the Rattlesnake Property and, as a result of certain amendments to the Rattlesnake Agreement, has until May 30, 2025 to ensure the necessary steps are taken to obtain a full release of the Company's reclamation bond.

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

NOTE 6 - Investment

	March 31, 2025	June 30, 2024
	\$	\$
Balance, beginning of period	-	-
Fair market value of common shares received (see Note 8)	490,131	-
Change in fair value	24,905	-
Balance, end of period	515,036	-

Pursuant to the terms of the Rattlesnake Agreement (see Note 8), the Company received 3,061,224 shares of Axcap Ventures Inc. (the “Consideration shares”), a company listed on the Canadian Securities Exchange. The Consideration shares have an undiscounted value of \$581,633, or \$0.19 per share, and are subject to resale restrictions with one-sixth of the total shares being released from the resale restrictions every three months, beginning December 16, 2024.

The investment is classified as fair value through profit or loss (“FVTPL”). As a result of the resale restrictions, the Company determined the fair market value of the restricted shares using a discount for lack of marketability (“DLOM”) calculated using the Finnerty Model.

For the nine months ended March 31, 2025, the Company recognized a mark to market gain of \$24,905 (June 30, 2024 – \$nil) on the Consideration shares and at March 31, 2025, reported a fair value of \$515,036 (June 30, 2024 – \$nil).

NOTE 7 - Promissory Note Receivable

The following table presents the reconciliation of the promissory note receivable:

	March 31, 2025	June 30, 2024
	\$	\$
Balance, beginning of period	-	-
Fair market value of promissory note received (see Note 8)	869,566	-
Unwinding of discount	37,522	-
Balance, end of period	907,088	-

Pursuant to the terms of the Rattlesnake Agreement (see Note 8), the purchaser issued a \$1,000,000 non-interest bearing promissory note. The note is secured by a mortgage, comprised of a lien against and security interest in all the mineral properties of the Rattlesnake Property and is due December 16, 2025. On initial recognition, the Company discounted the note to its present value of \$869,566 at a rate of 15%.

For the nine months ended March 31, 2025, the Company recognized accretion interest income of \$37,522 (June 30, 2024 – \$nil) on the unwinding of the discount on the promissory note receivable and at March 31, 2025, reported a fair value of \$907,088 (June 30, 2024 – \$nil).

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the Three and Nine Months Ended March 31, 2025 and 2024

*(Unaudited - Expressed in Canadian Dollars)***NOTE 8 - Exploration and Evaluation Assets**

The following is a continuity of the Company's exploration and evaluation expenditures:

	Ontario Pen & Dore	Ontario Goldarm	Total
	\$	\$	\$
Balance at June 30, 2024	23,364,382	9,098,125	32,462,507
Additions:			
Acquisition and staking costs	4,500	-	4,500
Exploration expenses			
Claim maintenance fees	5,500	10,500	16,000
Consulting	665,927	384,771	1,050,698
Salaries and benefits	244,068	365,417	609,485
Drilling	547,384	402,115	949,499
Geophysics	189,541	-	189,541
General field expenses	329,360	274,077	603,437
	1,986,280	1,436,880	3,423,160
Ontario Junior Exploration Program Assistance	-	(60,000)	(60,000)
	1,986,280	1,376,880	3,363,160
Balance at March 31, 2025	25,350,662	10,475,005	35,825,667

	Ontario Pen & Dore	Ontario Goldarm	Total
	\$	\$	\$
Balance at June 30, 2023	23,076,369	6,254,364	29,330,733
Additions:			
Acquisition and staking costs	-	518,469	518,469
Exploration expenses			
Claim maintenance fees	19,818	19,389	39,207
Consulting	100,962	530,203	631,165
Salaries and benefits	140,445	693,408	833,853
Drilling	-	659,195	659,195
Geophysics	-	39,077	39,077
General field expenses	26,788	384,020	410,808
	288,013	2,843,761	3,131,774
Balance at June 30, 2024	23,364,382	9,098,125	32,462,507

Pen Gold Project**West Porcupine Property**

On December 21, 2017, the Company purchased 100% of Probe Metal Inc's ("Probe") interest in the West Porcupine property, a land package consisting of 198 claims located southwest of Timmins, Ontario. Several NSRs exist on certain claims within the West Porcupine property and are described below:

West Porcupine

The West Porcupine has 0.5%, 1.0% and 2.0% NSRs on certain mineral claims. The Company has the right to re-purchase these NSRs for \$250,000, \$1,000,000 and \$1,500,000, respectively.

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

NOTE 8 - Exploration and Evaluation Assets (continued)

Pen Gold Project (continued)

Ivanhoe

There is a 4% NSR over certain mineral claims of the Ivanhoe property. The Company has the right to purchase 3% of the NSR for \$3,000,000. Also, the Company is to make a \$1,000,000 payment upon the filing of a National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) compliant technical report which discloses a mineral reserve (proven and probable) totaling a minimum of 1,000,000 ounces of gold.

Ross

There is a 2% NSR over certain mineral claims of the Ross property. The Company has the right to purchase the NSR for \$3,000,000.

Kenogaming Township

There is a 2% NSR over certain mineral claims of the Kenogaming Property. The Company has the right to purchase the NSR for \$3,000,000.

The Company has agreed to pay the Mattagami First Nation and Flying Post First Nation 1% of the eligible exploration costs incurred annually.

In addition to these properties, the West Porcupine Property acquisition also included claims staked by Probe for which there is no NSR.

Rapier Gold Inc.

On February 28, 2018, the Company completed the plan of arrangement with Rapier Gold Inc. (“Rapier”) pursuant to which GFG acquired all of the outstanding shares of Rapier. Pursuant to the completion of the acquisition the Company acquired Rapier’s Pen Gold Project, southwest of Timmins, Ontario. On June 30, 2020, Rapier was dissolved and GFG assumed the commitments that were originally to be fulfilled by Rapier.

Further detail of significant properties is provided below:

Pen Gold East

The Company owns a 100% interest in the Pen Gold East property, located adjacent to the northeastern corner of Pen Gold South in Kenogaming Township, Porcupine Mining District. Pursuant to an option agreement entered into on June 1, 2012, total payments of \$40,000 were required and paid, which payments are deductible against a potential \$200,000 future payment if greater than 200,000 ounces of gold are mined. The Company has the right to purchase one-half of a 2% NSR for \$2,000,000.

Pen Gold South

The Company has a 100% interest in the Pen Gold South property, located in the Kenogaming, Penhorwood and Keith Townships in Ontario, which is subject to a 2% NSR. The Company has the right to purchase 2% of the NSR for \$3,000,000.

Pen Gold North

The Company has a 100% interest in the Pen Gold North property which is subject to a 2% production royalty. If the Company files a NI 43-101 compliant measured and indicated gold resource on the property, a payment of \$5 per resource ounce is payable, up to a maximum of \$5,000,000. Further, an additional \$5 per resource ounce is due, subject to consumer price index adjustments, if the Company subsequently completes a positive feasibility study and arranges financing to construct a mine on the property.

Porphyry Hill

The Company has a 100% interest in the Porphyry Hill property, located in the Reeves township, which is subject to a 2% NSR. The Company has the right to purchase one-half of the 2% NSR for \$1,000,000, subject to certain cost of living adjustments.

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended March 31, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

NOTE 8 - Exploration and Evaluation Assets (continued)

Pen Gold Project (continued)

Reeves

The Company has a 100% interest in the Reeves property, located in the Reeves Township, Porcupine Mining District, which is subject to a 2% NSR. The Company has the right to purchase one-half of the 2% NSR for \$1,000,000.

The Company also assumed the obligation between Rapier, the Flying Post First Nation and Mattagami First Nation. Under the terms of the agreement, the Company pays 2% of all costs of the exploration program annually to the Flying Post and Mattagami First Nations.

Sewell

On June 25, 2018, the Company purchased, from a subsidiary of Alamos Gold Inc., 100% interest in the Sewell property, a land package consisting of one legacy claim and five patented claims covering approximately 3,000 hectares adjacent to the Company's Pen Gold Project.

The Sewell property is subject to a 1% NSR.

Dore Gold Project

Swayze Property

On December 21, 2017, the Company purchased, from Osisko Mining Inc. ("Osisko"), 100% of its interest in the Swayze property, a land package consisting of 56 claims southwest of the Pen Gold Project.

The Company is subject to a 1% NSR on the Swayze property. The Company has the right to purchase the NSR for \$1,000,000.

The Company also agreed to assume the obligation between Osisko and the Flying Post First Nation. Under the terms of the agreement, the Company pays 1% of all eligible costs of the exploration program annually.

Subsequent to acquiring the Swayze Property, the Company acquired additional adjacent claims over several staking campaigns. The staked claims are held 100% by the Company and are not subject to any NSR. The Swayze Property and these additional staked claims constitute the Dore Gold Project.

Ontario Goldarm Property

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 acquired a 100% interest in the Aljo Mine Claims in consideration of the following:

- The issuance of 700,000 common shares of GFG 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 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 International Explorers and Prospectors Inc. ("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

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

NOTE 8 - Exploration and Evaluation Assets (continued)

WWCC Acquisition (continued)

four-year period, subject to a net smelter return royalty of up to a maximum of 2% by:

- The issuance of an aggregate of 1,016,949 common shares of GFG (issued);
- The issuance of common shares of GFG 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 (issued)
 - 24 months following the Effective Date, valued at \$200,000 (issued)
 - 36 months following the Effective Date, valued at \$250,000 (issued; see Note 20)
 - 48 months following the Effective Date, valued at \$250,000
 - The total number of common shares issuable under the WWCC Agreement are subject to limitations determined by the TSX-V;
- Spending a minimum of \$2.0 million in exploration expenditures over four years on the WWCC Property following the close of the WWCC Agreement;
- 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 shall 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-kilometer ("km") radius from any previous announcement, GFG shall 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 Gold Project

On October 24, 2023, the Company announced that it had completed the earn-in requirements to earn 100% of the Montclerg Gold Project, pursuant to a definitive agreement (the "Montclerg Agreement") with IEP.

To earn its 100% interest the Company:

- Issued 7,423,905 common shares. These common shares had a fair value of \$0.165 per share and including transaction costs, resulted in a total consideration of \$1,282,144;
- Issued common shares 12 months following the date of the Agreement, valued at \$500,000, based on the volume weighted average price ("VWAP") for the five trading days immediately preceding the 12-month anniversary of the Montclerg Agreement (issued);
- Issued 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 (issued);
- The total number of common shares issuable under the Montclerg Agreement were subject to limitations determined by the TSX-V;
- Spent a minimum of \$1.0 million in exploration expenditures over 24 months on the Project following the date of the Montclerg Agreement;
- Transferred \$500,000 in assessment credits to IEP within 6 months following the date of the Montclerg Agreement; and
- Transferred an additional \$500,000 in assessment credits to IEP within 18 months following the date of the Montclerg Agreement.

The Project consists of five patented claims and 110 lease claims and is subject to NSRs of up to 1.5% on certain of the claims – each NSR has certain repurchase provisions.

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2025 and 2024***(Unaudited - Expressed in Canadian Dollars)***NOTE 8 - Exploration and Evaluation Assets (continued)**

Pursuant to an exploration agreement with Apitipi Anicinapek Nation (“AAN”), completed in March 2025 with an effective date of January 1, 2023, the Company has agreed to pay AAN 2% of the eligible exploration costs incurred annually on the Goldarm Property. The Goldarm Property is primarily comprised of the Montclerg Gold Project, the WWCC Project and the Aljo Mine Claims. During the three months ended March 31, 2025, the Company paid \$81,490 (March 31, 2024 - \$nil) for eligible exploration costs incurred from January 1, 2023 to December 31, 2024.

Wyoming Properties

On December 16, 2024, the Company closed the sale of its 100% owned Rattlesnake Property to Patriot Gold Vault Ltd. (“Patriot”) for \$1,700,000 in cash, a \$1,000,000 non-interest bearing promissory note, due December 16, 2025, and 3,061,224 common shares (subject to resale restrictions) of Axcap Ventures Inc. (the parent company of Patriot) having an undiscounted value of \$581,633. As part of the transaction, Patriot assumed the asset retirement obligation of \$288,095 (see Note 14).

The total gain on sale was recorded as follows:

Consideration received	\$
Cash payments	1,700,000
Fair value of promissory note (see Note 7)	869,566
Fair value of common shares received (see Note 6)	490,131
Legal fees	(49,581)
Fair value of the consideration	3,010,116
Value of obligations transferred	
Asset retirement obligation (see Note 14)	288,095
Total gain on sale	3,298,211
Gain recognized in prior year	(250,000)
Gain recognized in current period	3,048,211

The transaction had the following additional terms:

- Patriot has until May 30, 2025 to replace the USD \$219,000 cash deposit held with the Wyoming Department of Environmental Quality.
- If a National Instrument 43-101 resource estimate in the Rattlesnake Property reveals a mineral resource greater than 3,000,000 ounces of gold in a Measured and Indicated or Inferred category, Patriot will pay to GFG a further \$1 per total mineral resource ounce in cash or common shares of Patriot, at the election of Patriot. The Company has determined the likelihood of this occurrence is unknown and has not recorded a contingent asset.
- Patriot reimbursed GFG for all costs and expenses relating to the Rattlesnake Property incurred from the May 9, 2024 letter of intent to December 16, 2024. During the nine months ended March 31, 2025, the Company was reimbursed for \$261,964 of costs and expenses relating to the Rattlesnake Property. At March 31, 2025, the Company is due \$1,986 from Patriot.

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the Three and Nine Months Ended March 31, 2025 and 2024

*(Unaudited - Expressed in Canadian Dollars)***NOTE 9 - Property and Equipment**

	Right-of-use Asset	Computer Equipment	Equipment	Total
	\$	\$	\$	\$
Cost				
June 30, 2024	196,795	8,373	40,940	246,108
Disposition	-	-	(23,291)	(23,291)
March 31, 2025	196,795	8,373	17,649	222,817
Accumulated depreciation				
June 30, 2023	123,890	-	26,830	150,720
Depreciation	31,245	837	2,822	34,904
June 30, 2024	155,135	837	29,652	185,624
Depreciation	23,434	1,696	1,237	26,367
Disposition	-	-	(18,958)	(18,958)
March 31, 2025	178,569	2,533	11,931	193,033
Net book value				
June 30, 2024	41,660	7,536	11,288	60,484
March 31, 2025	18,226	5,840	5,718	29,784

NOTE 10 - Accounts Payable and Accrued Liabilities

	March 31, 2025	June 30, 2024
	\$	\$
Accounts payable	1,185,371	453,881
Accrued liabilities	136,554	137,210
	1,321,925	591,091

NOTE 11 - Flow-through Share Premium Liabilities

	March 31, 2025	June 30, 2024
	\$	\$
Balance, beginning of period	355,007	647,860
Premium liabilities recognized on flow-through shares issued	-	370,437
Recovery of premium on flow-through shares:		
March 2023 issuance	-	(647,860)
April 2024 issuance	(355,007)	(15,430)
Balance, end of period	-	355,007

In April 2024, the Company issued 15,844,059 flow-through shares for gross proceeds of \$1,717,182. These flow-through shares issued in a non-brokered private placement were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$370,437. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended June 30, 2024 and nine months ended March 31, 2025, the Company satisfied the commitment by incurring qualifying expenditures of \$1,717,182. As of March 31, 2025, the Company has incurred all required expenditures.

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three and Nine Months Ended March 31, 2025 and 2024***(Unaudited - Expressed in Canadian Dollars)***NOTE 11 - Flow-through Share Premium Liabilities (continued)**

In March 2023, the Company issued 13,619,231 flow-through shares for gross proceeds of \$2,458,998. These flow-through shares issued in a non-brokered private placement were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$699,749. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. As of March 31, 2025, the Company has incurred all required expenditures.

NOTE 12 - Lease Liability

In May 2022, the Company renewed its head office lease and recorded an increase to the right-of-use asset and the corresponding lease liability on the effective date of the renewal.

A continuity of the lease liability for the nine months ended March 31, 2025, is as follows:

	March 31, 2025	June 30, 2024
	\$	\$
Lease liability, beginning of period	51,400	81,937
Lease payments	(31,722)	(40,785)
Interest expense	4,477	10,248
Total lease liability	24,155	51,400
Less: current portion	(24,155)	(37,341)
Total non-current lease liability	-	14,059

The maturity analysis of the undiscounted contractual balances of the lease liability is as follows:

	\$
Less than one year	25,377
Total undiscounted lease liability at March 31, 2025	25,377

Total undiscounted lease payments exclude leases that are classified as short-term and leases for low-value assets, which are not recognized as lease liabilities. During the nine months ended March 31, 2025, the Company recognized an expense of \$32,013 (March 31, 2024 - \$15,428) on short-term and low-value leases.

NOTE 13 - Advance

As at March 31, 2025, the Company has a balance of \$21,564 (June 30, 2024 - \$20,044) payable to Evolving Gold. The advance is unsecured, non-interest bearing and due on demand.

NOTE 14 - Asset Retirement Obligation

On December 16, 2024, the Company sold its 100% owned Rattlesnake Property to Patriot. As part of the transaction, Patriot assumed the asset retirement obligation of \$288,095. This balance was recorded as part of the consideration received with the offset to the gain on sale of the Rattlesnake Property.

GFG RESOURCES INC.

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(Unaudited - Expressed in Canadian Dollars)

NOTE 14 - Asset Retirement Obligation (continued)

The following table presents the reconciliation of the reclamation liability:

	March 31, 2025	June 30, 2024
	\$	\$
Balance, beginning of period	284,733	271,892
Sale of Rattlesnake property (see Note 8)	(288,095)	-
Accretion expense	3,362	12,841
Balance, end of period	-	284,733

NOTE 15 - Share Capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

a) At March 31, 2025, the Company had 270,015,715 common shares issued and outstanding (June 30, 2024 – 240,573,879).

b) Shares issued during the nine months ended March 31, 2025:

During the third quarter, 883,929 stock options were exercised, pursuant to the Company's stock option plan, with an average grant price of \$0.156 per common share for net proceeds of \$137,747.

During the second quarter, pursuant to warrant exercises, the Company issued 28,557,907 common shares for proceeds, net of issue costs, of \$3,711,029.

c) Shares issued during the nine months ended March 31, 2024:

The Company received private placement proceeds, net of issue costs, of \$320,920 in advance of the closing of a non-brokered private placement. This amount has been recorded as an Obligation to issue shares at March 31, 2024 and will be reclassified to share capital upon closing on April 19, 2024.

On October 20, 2023, the Company made the second and final anniversary payment pursuant to the Montclerg Agreement with IEP. Pursuant to the Agreement, GFG issued a total of 3,535,168 common shares of the Company to IEP. Concurrent with this issuance the Company advised that pursuant to the Montclerg Agreement it had completed all required events and has earned a 100% interest in the Montclerg Property.

Stock options

The Company has established a stock option plan under which common share purchase options may be granted to directors, officers, employees and consultants. The maximum number of shares available for options issuable under the stock option plan is 10% of the Company's common shares outstanding. Options granted have an exercise price of the Company's prior day closing price quoted on the TSX-V for the common shares of the Company.

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the Three and Nine Months Ended March 31, 2025 and 2024

*(Unaudited - Expressed in Canadian Dollars)***NOTE 15 - Share Capital (continued)**

A summary of stock options activities are as follows:

	Nine Months Ended March 31, 2025		Year Ended June 30, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	12,393,962	0.14	10,979,112	0.16
Granted	4,387,000	0.19	3,590,000	0.09
Exercised	(883,929)	0.16	-	-
Forfeited/Expired	(584,460)	0.18	(2,175,150)	0.16
Outstanding, end of period	15,312,573	0.15	12,393,962	0.14

In March 2025, the Company granted 4,187,000 stock options to directors, employees and consultants exercisable at a price of \$0.195 per share for five years. The fair value of \$0.12 per stock option was assigned using the Black-Scholes Option Pricing Model with the following assumptions: an expected life of five years; risk-free interest rate of 2.70%; a dividend yield of 0%; and volatility of 78.11%. 375,000 of these stock options vest immediately, 3,400,000 vest equally over two years with the initial vest occurring on the date of the grant and 412,000 vest over four quarters with the final vest to occur on December 31, 2025.

In January 2025, the Company granted 150,000 stock options to an employee exercisable at a price of \$0.18 per share for five years. The fair value of \$0.12 per stock option was assigned using the Black-Scholes Option Pricing Model with the following assumptions: an expected life of five years; risk-free interest rate of 3.10%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 83.26%. The options vest immediately.

In November 2024, the Company granted 50,000 stock options to an employee exercisable at a price of \$0.15 per share for five years. The fair value of \$0.11 per stock option was assigned using the Black-Scholes Option Pricing Model with the following assumptions: an expected life of five years; risk-free interest rate of 3.14%; a forfeiture rate of 0%; dividend yield of 0%; and volatility of 84.16%. The options vest immediately.

In February 2024, the Company granted 3,590,000 stock options to directors, employees and consultants exercisable at a price of \$0.09 per share for five years. The fair value of \$0.07 per stock option was assigned using the Black-Scholes Option Pricing Model with the following assumptions: an expected life of five years; risk-free interest rate of 3.63%; a dividend yield of 0%; and volatility of 82.52%. 225,000 of these stock options vest immediately, 2,815,000 vest equally over two years with the initial vest occurring on the date of the grant and 550,000 vest over four quarters with the final vest occurring on December 31, 2024.

A summary of the stock options outstanding and exercisable at March 31, 2025 is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$0.165	1,591,240	1,591,240	February 12, 2026
\$0.14	230,215	230,215	April 6, 2026
\$0.17	2,134,118	2,134,118	February 11, 2027
\$0.15	2,830,000	2,830,000	February 14, 2028
\$0.11	600,000	400,000	May 16, 2028
\$0.09	3,540,000	2,601,667	February 15, 2029
\$0.15	50,000	50,000	November 14, 2029
\$0.18	150,000	150,000	January 14, 2030
\$0.195	4,187,000	1,611,333	March 18, 2030
	15,312,573	11,598,573	

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Share-based compensation

	Three Months Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	\$	\$	\$	\$
Stock options	160,337	110,750	239,136	199,238
Capitalized to exploration and evaluation assets	76,315	27,790	87,061	53,398
Total Share-based compensation	236,652	138,540	326,197	252,636

Warrants

A summary of warrant activities are as follows:

	Nine Months Ended March 31, 2025		Year Ended June 30, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	30,632,859	0.16 ¹	23,997,268	0.19
Granted	-	-	12,561,345	0.13
Exercised	(28,557,907)	0.13	-	-
Expired	(2,074,952)	0.13	(5,925,754)	0.22
Outstanding, end of period	-	-	30,632,859	0.16

¹During the nine months ended March 31, 2025, the Company completed the modification of the terms for its warrants issued on October 6, 2022 and March 21, 2023, as follows:

Date of Issuance	Original Exercise Price	Amended Exercise Price	Original Expiry Date	Amended Expiry Date
October 6, 2022	\$0.17	\$0.13	October 6, 2024 ²	April 19, 2027
March 21, 2023	\$0.18	\$0.13	March 21, 2026 ²	April 19, 2027

² Subject to acceleration in certain circumstances.

On November 7, 2024, the Company announced that it had elected to accelerate the expiry of the outstanding common share purchase warrants ("Warrants") originally issued on October 6, 2022, March 21, 2023 and April 19, 2024. This represents all the Company's 30,632,859 outstanding share purchase warrants. Pursuant to the terms of the Warrants, the Company could accelerate the expiry date of the Warrants if the closing price of the Company's common shares on the TSX-V equaled or exceeded \$0.18 for 10 consecutive trading days (the "Acceleration Period"), to the date which is 30 days following the dissemination of the news release announcing the acceleration. The Company provided notice of the Acceleration Period and exercised its right to accelerate the expiry of the Warrants to 5:00 p.m. (Toronto Time) on December 9, 2024 (the "Accelerated Expiry Date"). Any Warrants remaining unexercised after the Accelerated Expiry Date expired.

During the nine months ended March 31, 2025, 28,557,907 warrants were exercised, with a fair value of \$285,579, for proceeds, net of issue costs, of \$3,711,029.

GFG RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the Three and Nine Months Ended March 31, 2025 and 2024

*(Unaudited - Expressed in Canadian Dollars)***NOTE 15 - Share Capital (continued)****Reserves**

Reserves are increased when recognizing the compensation costs related to share-based compensation and decreased where stock options are exercised:

	Nine Months Ended March 31, 2025	Year Ended June 30, 2024
	\$	\$
Reserves, beginning of period	3,558,454	3,156,058
Share-based compensation	326,197	276,783
Transfer to share capital on stock option exercises	(85,527)	-
Fair value of warrants exercised	(285,579)	125,613
Reserves, end of period	3,513,545	3,558,454

NOTE 16 - Earnings (Loss) Per Share

	Three Months Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	\$	\$	\$	\$
Earnings (loss) available to common shareholders	(481,674)	(427,272)	1,992,218	(983,884)
Wtd. average number of shares - basic	269,161,250	212,951,185	253,741,846	211,511,407
Dilutive securities – stock options	-	-	1,376,040	-
Wtd. average number of shares - diluted	269,161,250	212,951,185	255,117,886	211,511,407
Basic earnings (loss) per share	\$(0.00)	\$(0.00)	\$0.01	\$(0.00)
Diluted earnings (loss) per share	\$(0.00)	\$(0.00)	\$0.01	\$(0.00)
Number of shares excluded from diluted earnings per share due to anti-dilutive effect	15,312,573	12,393,962	10,942,358	12,393,962

NOTE 17 - Related Party Transactions**Summary of key management personnel compensation:**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

	Three Months Ended		Nine Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	\$	\$	\$	\$
Salaries and benefits capitalized to exploration and evaluation assets	59,298	36,714	155,969	129,794
Salaries and benefits ⁽¹⁾	162,648	168,891	455,389	471,848
Director fees	19,369	18,250	55,868	54,749
Share-based compensation	148,122	107,284	221,395	195,723

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Share-based compensation capitalized to exploration and evaluation and assets expenditures	25,383	25,281	36,128	35,169
	414,820	356,420	924,749	887,283

(1) Includes salaries and benefits reported within Investor relations.

Compensation of the Company's key management personnel includes salaries, non-cash benefits and board retainers. Executive officers and members of the Board of Directors may also participate in the stock option program.

NOTE 18 - Capital Disclosure and Management

The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of shareholders' equity. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares through private placement, incur debt or return capital to shareholders.

To maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its excess cash in highly liquid short-term interest-bearing investments with short-term maturities matching timing of expenditures.

The Company's capital management approach has remained unchanged during the three and nine months ended March 31, 2025. The Company is not subject to externally-imposed capital requirements.

NOTE 19 - Financial Instruments and Risk Management

The Company has exposure to the following risks from its use of financial instruments.

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's exposure to credit risk is on its cash held with Bank of Montreal and the Royal Bank of Canada. The carrying amounts represents the maximum credit exposure.

b. Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. At March 31, 2025, the Company has working capital of \$4,333,923 which will be sufficient to fund 2025 Goldarm Property and Pen and Dore Gold Project exploration programs and general and administrative costs.

c. Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has determined there is no material exposure related to interest rate risk.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

GFG RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

NOTE 19 - Financial Instruments and Risk Management (continued)

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The carrying value of the Company's financial assets and liabilities as at March 31, 2025 and 2024 are approximate to their fair values due to their short-term nature.

The carrying value of lease obligations where interest is charged at a fixed rate is not significantly different from the fair value.

NOTE 20 - Subsequent events

- i) Effective April 11, 2025, the Company issued shares pursuant to an option agreement with IEP (see Note 8); GFG issued a total of 1,334,757 common shares of the Company to IEP at a deemed value of \$0.1873 per common share based on the VWAP for the five previous trading days, inclusive of April 11, 2025.
- ii) On May 2, 2025, GFG issued 11,041,590 premium flow-through units of the Company (each, a "Premium Unit") at a price of \$0.2717 per Premium Unit for gross proceeds of \$3,000,000. Each Premium Unit consists of one common share of the Company and one share purchase warrant (a "Warrant") entitling the holder to acquire one additional common share of the Company at an exercise price of \$0.28 for a period of 24 months from the date of issuance. Each of the common shares and Warrants comprising the Premium Units qualify as a "flow-through share" for the purposes of the *Income Tax Act* (Canada).
- iii) On May 2, 2025, the Company issued shares pursuant to its recently signed exploration agreement with AAN (see Note 8); GFG issued a total of 111,111 common shares of the Company to AAN at a deemed value of \$0.18 per share based on the 5-day average closing price prior to the agreement date.