FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of the Company

GFG Resources Inc. (“**GFG**” or the “**Issuer**”)
202-640 Broadway Ave
Saskatoon, SK S7N 1A9

Item 2. Date of Material Change

January 31, 2017

Item 3. Press Release

A press release was disseminated through Marketwired news services on January 31, 2017.

Item 4. Summary of Material Change

The Issuer has entered into an agreement with a syndicate of underwriters led by Cormark Securities Inc., pursuant to which the underwriters have agreed to purchase 4,350,000 common shares of the Issuer at a price of C$1.15 per share, on a bought deal private placement basis, for aggregate gross proceeds of approximately C$5.0 million.

Item 5. Full Description of Material Change

The Issuer has entered into an agreement with a syndicate of underwriters led by Cormark Securities Inc., pursuant to which the underwriters have agreed to purchase 4,350,000 common shares (“**Common Shares**”) of the Issuer at a price of C$1.15 per Common Share (the “**Offering Price**”), on a bought deal private placement basis, for aggregate gross proceeds to the Issuer of approximately C$5.0 million (the “**Offering**”).

The Issuer has also granted the underwriters an option to purchase up to 15% of the number of Common Shares sold pursuant to the Offering at the Offering Price, exercisable at any time prior to the closing of the Offering.

The net proceeds from the sale of the Common Shares will be used towards the Issuer’s 2017 exploration drilling program at its 100% owned Rattlesnake Hills gold project in Wyoming, U.S. and for general corporate purposes.

The Offering is scheduled to close on or about February 21, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

The securities to be issued under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This material change report does not constitute an offer to sell or a solicitation of an offer to buy any of the Issuer’s securities in the United States.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Brian Skanderbeg (President and Chief Executive Officer)
Tel. (306) 931 - 0930

Item 9. Date of Report

February 7, 2017

FORWARD-LOOKING STATEMENTS

This material change report includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the "bought deal" nature of the Offering, the proposed use of proceeds therefrom and the expected timing for the closing thereof. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties, uncertain capital markets; and delay or failure to receive regulatory approvals. The Issuer disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.