

**FORM 51-102F3
Material Change Report**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF
NATIONAL INSTRUMENT NO. 51-102**

Item 1. Reporting Issuer

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

Item 2. Date of Material Change

A material change took place on April 19, 2024.

Item 3. Press Release

A press release in the form of Schedule “A” attached hereto was disseminated on April 19, 2024, via GlobeNewswire news service and subsequently filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) (www.sedarplus.ca).

Item 4. Summary of Material Change

The Company closed its private placement financing (the “**Offering**”) to raise gross proceeds of C\$2,505,866.

Item 5. Full Description of Material Change

The material change is described in the press release attached hereto as Schedule “A”, which press release is incorporated by reference herein.

Pursuant to the Offering, GFG issued (i) 9,278,635 units of the Company (“**Units**”) at a price of C\$0.085 per Unit for gross proceeds of C\$788,684; (ii) 9,697,000 “flow-through” units (“**FT Units**”) at a price of C\$0.10 per FT Unit for gross proceeds of C\$969,700; and (iii) 6,147,059 premium units of the Company (“**Premium Units**”) at a price of C\$0.1216 per Premium Unit for gross proceeds of C\$747,482. Each Unit consists of one common share of the Company 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 at an exercise price of C\$0.13 for a period of 36 months from the date of issuance, subject to acceleration as detailed below. Each FT Unit and each Premium Unit consists of one common share of the Company that will qualify as a “flow-through share” for the purposes of the *Income Tax Act* (Canada) (a “**FT Share**”) and one-half of one Warrant.

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 C\$0.13 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.

Pursuant to the Offering, Brian Skanderbeg subscribed for an aggregate of 3,200,000 Units at a price of \$0.085 per Unit. Mr. Skanderbeg is an insider of the Company. As of April 19, 2024 immediately prior to the closing of the Offering, Mr. Skanderbeg held an aggregate of 2,875,423 common shares of the Company ("Shares") and convertible securities entitling Mr. Skanderbeg to acquire an additional 3,781,192 Shares, representing approximately 1.4% of the issued and outstanding Shares (and approximately 3.1% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Offering, Mr. Skanderbeg holds an aggregate of 6,075,423 Shares and convertible securities entitling Mr. Skanderbeg to acquire an additional 5,381,192 Shares, representing approximately 2.5% of the issued and outstanding Shares (and approximately 4.7% on a partially diluted basis assuming exercise of such convertible securities only).

Pursuant to the Offering, Arnold Klassen subscribed for an aggregate of 147,000 FT Units at a price of \$0.10 per Unit. Mr. Klassen is an insider of the Company. As of April 19, 2024 immediately prior to the closing of the Offering, Mr. Klassen held an aggregate of 353,000 Shares and convertible securities entitling Mr. Klassen to acquire an additional 1,007,327 Shares, representing less than 1% of the issued and outstanding Shares (and less than 1% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Offering, Mr. Klassen holds an aggregate of 500,000 Shares and convertible securities entitling Mr. Klassen to acquire an additional 1,080,827 Shares, representing less than 1% of the issued and outstanding Shares (and less than 1% on a partially diluted basis assuming exercise of such convertible securities only).

Pursuant to the Offering, Lisa Riley subscribed for an aggregate of 150,000 FT Units at a price of \$0.10 per Unit. Ms. Riley is an insider of the Company. As of April 19, 2024 immediately prior to the closing of the Offering, Ms. Riley held no Shares and convertible securities entitling Ms. Riley to acquire an additional 885,215 Shares, representing less than 1% on a partially diluted basis assuming exercise of such convertible securities only. Following the closing of the Offering, Ms. Riley holds an aggregate of 150,000 Shares and convertible securities entitling Ms. Riley to acquire an additional 960,215 Shares, representing less than 1% of the issued and outstanding Shares (and less than 1% on a partially diluted basis assuming exercise of such convertible securities only).

In connection with the Offering, Alamos Gold Inc. ("Alamos") purchased an aggregate of 3,000,000 Units from a third party at a price of \$0.085 per

Unit. Alamos is an insider of the Company. As of April 19, 2024 immediately prior to the closing of the Offering, Alamos held an aggregate of 20,809,004 Shares and convertible securities entitling Alamos to acquire an additional 3,843,302 Shares, representing approximately 9.7% of the issued and outstanding Shares (and approximately 11.4% on a partially diluted basis assuming exercise of such convertible securities only). Following the closing of the Offering, Alamos holds an aggregate of 23,809,004 Shares and convertible securities entitling Alamos to acquire an additional 5,343,302 Shares, representing approximately 9.9% of the issued and outstanding Shares (and approximately 11.9% on a partially diluted basis assuming exercise of such convertible securities only).

The financing was approved by the board of directors pursuant to directors' resolutions dated April 18, 2024. The transaction is exempt from the formal valuation and minority shareholder approval requirements of applicable securities laws as at the time the financing was agreed to, neither the fair market value of the subject matter of, or the fair market value of the consideration for, the financing insofar as it involves interested parties, exceeded 25% of the Company's market capitalization. The financing was completed to raise proceeds for exploration of the Company's mineral properties and for general corporate purposes. A material change report is being filed in connection with the insider participation in the financing less than 21 days in advance of closing of the financing, as the Company did not have prior confirmation of such participation. The private placement remains subject to final regulatory approval.

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

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Brian Skanderbeg

Item 9. Date of Report

DATED at Saskatoon, in the Province of Saskatchewan, this 29th day of April, 2024.

SCHEDULE “A”



GFG Closes Private Placement Financing

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE

SASKATOON, Saskatchewan, April 19, 2024 (GLOBE NEWSWIRE) -- **GFG Resources Inc.** (TSXV: **GFG**) (OTCQB: **GFGSF**) (“**GFG**” or the “**Company**”) has closed its private placement financing (the “**Offering**”) (see *news release dated February 23, 2024*) for gross proceeds of C\$2,505,866. In connection with the Offering, **Alamos Gold Inc.** (“**Alamos**”) (TSX: **AGI**; NYSE: **AGI**) purchased securities to maintain their 9.9% interest in the Company.

Pursuant to the Offering, GFG issued (i) 9,278,635 units of the Company (“**Units**”) at a price of C\$0.085 per Unit for gross proceeds of C\$788,684; (ii) 9,697,000 “flow-through” units (“**FT Units**”) at a price of C\$0.10 per FT Unit for gross proceeds of C\$969,700; and (iii) 6,147,059 premium units of the Company (“**Premium Units**”) at a price of C\$0.1216 per Premium Unit for gross proceeds of C\$747,482. Each Unit shall consist of one common share of the Company 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 at an exercise price of C\$0.13 for a period of 36 months from the date of issuance, subject to acceleration as defined below. Each FT Unit and each Premium Unit shall consist of one common share of the Company that will qualify as a “flow-through share” for the purposes of the *Income Tax Act* (Canada) (a “**FT Share**”) and one-half of one Warrant.

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 C\$0.13 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.

The gross proceeds raised from the sale of the FT Shares comprising, in part, the FT Units and Premium Units, will be used for exploration activities in Ontario that will qualify as “Canadian Exploration Expenses” (within the meaning of the *Income Tax Act (Canada)*). The net proceeds raised from the sale of the Units and the Warrants comprising, in part, the FT Units and Premium Units, will be used for exploration activities on the Company’s projects in Ontario as well as for general working capital purposes.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – Prospectus Exemptions (“**NI 45-106**”), an aggregate of 6,935,400 Units sold pursuant to the Offering have been issued pursuant to the Listed Issuer Financing Exemption under Part 5A of NI 45-106, and accordingly such securities will not be subject to a hold period pursuant to applicable Canadian securities laws. There is an offering document on Form 45-106F19 related to the Offering that can be accessed under the Company’s profile at www.sedarplus.ca and on the Company’s website at www.gfgresources.com. The balance of the Units, FT Units and Premium Units sold pursuant to the Offering will be subject to a statutory hold period expiring on August 20, 2024.

Related Party Transaction

In connection with the Offering, GFG management and directors of the Company (collectively the “**Insiders**”), purchased a total of 3,200,000 Units and 497,000 FT Units. Insiders’ participation in the Offering constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company is also relying on the exemption from minority shareholder approval requirements under MI 61-101, as the fair market value of the insiders’ participation in the Offering does not exceed 25% of the market capitalization of the Company.

Alamos purchased 3,000,000 Units at a price of C\$0.085 each by way of a share purchase agreement with a third party on April 19, 2024, for a total purchase price of C\$255,000 (the “**Transaction**”). Prior to the closing of the Offering, Alamos held 20,809,004 common shares and 3,843,303 warrants of GFG, representing a security holding percentage of approximately 11.24%, on a partially diluted basis. Following the closing of the Offering, Alamos will have beneficial ownership of, or control and direction over 23,809,004 common shares and 5,343,303 warrants of GFG. Assuming exercise of the warrants, Alamos will have beneficial ownership of, or control and direction over 29,152,307 common shares or 11.86% of the issued and outstanding common shares of GFG calculated as of the date of the Offering on a partially diluted basis. Alamos acquired the Units for investment purposes, which will be evaluated and may be increased or decreased from time to time at Alamos’ discretion. A copy of Alamos’ early warning report will be available on the SEDAR+ website at www.sedarplus.ca or can be requested by contacting Scott K. Parsons, Senior Vice President, Investor Relations, at SParsons@alamosgold.com, 416-368-9932 (ext. 5439) or by mail at Brookfield Place, 181 Bay Street, Suite 3910, Toronto, Ontario M5J 2T3.

In connection with the Offering, the Company paid cash finder’s fees on portions of the Offering totaling C\$45,155.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer,

solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities 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 may not be offered or sold within the United States unless an exemption from such registration is available.

About GFG Resources Inc.

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.

For further information, please contact:

Brian Skanderbeg, President & CEO

or

Marc Lepage, Vice President, Business Development

Phone: (306) 931-0930

Email: info@gfgresources.com

Website: www.gfgresources.com

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained in this news release constitute “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities

Litigation Reform Act of 1995 (referred to herein as “forward-looking statements”). Forward-looking statements include, but are not limited to, disclosure regarding the receipt of all applicable regulatory approvals, the prospective nature of the Company’s property interests, exploration plans and expected results, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; planned use of proceeds, expenditures and budgets and the execution thereof. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes”, or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results, “may”, “could”, “would”, “will”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

All forward-looking statements are based on various assumptions, including, without limitation, the expectations and beliefs of management, the receipt of applicable regulatory approvals, availability of financing, the assumed long-term price of gold, that the current exploration and other objectives concerning its mineral projects can be achieved and that its other corporate activities will proceed as expected; that the current price and demand for gold will be sustained or will improve; the continuity of the price of gold and other metals, economic and political conditions and operations; the prospective nature of the Company’s properties, availability of financing, and that general business and economic conditions will not change in a materially adverse manner.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of GFG to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks and uncertainties related to the failure to obtain all applicable regulatory approvals; actual results of current exploration activities; environmental risks; future prices of gold; operating risks; accidents, labour issues and other risks of the mining industry; delays in obtaining government approvals or financing; and other risks and uncertainties. These risks and uncertainties are not, and should not be construed as being, exhaustive.

Although GFG has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. In addition, forward-looking statements are provided solely for the purpose of providing information about management’s current expectations and plans and allowing investors and others to get a better understanding of our

operating environment. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements in this news release are made as of the date hereof and GFG assume no obligation to update any forward-looking statements, except as required by applicable laws.