

Form 45-106F19
Listed Issuer Financing Document

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

May 17, 2024

FOUNDERS METALS INC.
(the “Company” or “Founders”)

What are we offering?

Securities:	Up to 6,250,000 common shares of the Company (the “Shares”) of the Company.
Offering Price:	\$1.60 per Share.
Offering Amount:	Up to a maximum of 6,250,000 for gross proceeds of up to \$10,000,000 with no minimum (the “Offering”)
Closing Date:	The Offering is expected to close in one or more tranches with the first closing to occur on May 24, 2024, and the last closing no later than June 30, 2024.
Exchange:	The Shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol “FDR”
Last Closing Price:	On May 16, 2024, the last trading day prior to the date of this offering document, the closing price of the Shares on the TSXV was \$1.69.

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.

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

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company 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 \$10,000,000.
- The Company will not close this Offering unless the Company 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 Company 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 ON FORWARD-LOOKING INFORMATION

Information and statements contained in this offering document that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995 (collectively referred to as “forward-looking statements”) that involve risks and uncertainties. This offering document contains forward-looking statements such as estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward looking statements in this offering document include, but are not limited to, statements with respect to: the future exploration and development work and expenditures on the Company’s projects; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; the completion of the Offering, if it is to be completed at all; the expected Closing Date; the Company’s drilling and exploration program on the Antino Gold Project (as defined below); the Company’s ability to maintain and exercise its option rights in respect of the Antino Gold Project; the Company’s ability to maintain access to surface lands needed for its operations; and the inclusion of a going concern note in future consolidated financial statements of the Company.

In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “goal”, “objective”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or information that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning lithium, gold, and other critical, base and precious metal or diamond prices; cut-off grades; accuracy of mineral resource estimates and mineral resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of analytical and metallurgical test work; anticipated political and social conditions and events; and, ability to successfully raise or otherwise access additional capital.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation: unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities, including potentially arbitrary action; the failure of parties to contracts with the Company to perform as agreed; social or labour unrest; changes in commodity prices; effects of the COVID-19 pandemic; unexpected changes in the cost of exploration; and the failure of exploration programs or current or future economic studies to deliver anticipated results or results that would justify and support continued exploration, studies, development or operations. New risks may emerge from time to time, and the importance of current factors may change from time to time, and it is not possible for the Company to predict all such factors.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this offering document speak only as of the date of this offering document. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this offering document or to reflect the occurrence of unanticipated events, except as required by law.

TECHNICAL INFORMATION

Michael Dufresne, M.Sc., P.Geol., P.Geo., a “Qualified Person” as defined by *National Instrument 43-101 Standards of Disclosure for Mineral Projects*, has reviewed and approved for inclusion the scientific and technical disclosure in this offering document.

CURRENCY

Unless otherwise indicated, all references to “\$” or “dollars” in this offering document refer to Canadian dollars, which is the Company’s functional currency.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

The Company is engaged in the exploration and development of mineral properties, focusing at present time on the Antino Gold Project

Recent Developments

On March 21, 2023, the Company completed the assumption of an option agreement dated March 16, 2022 as amended (the “**Option Agreement**”) assigned to the Company by Orea Mining Corp. (the “**Assignment**”) which gives the Company the right to acquire from Nana Resources N.V. up to 75% of a resource definition stage gold exploration project located in southeastern Suriname, within the Guiana Sheild Gold Belt consisting of two contiguous right to exploit gold mining titles over two blocks covering a combined area of approximately 20,000 ha. (the “**Antino Gold Project**”).

Concurrent with closing the Assignment, the Company closed an equity private placement financing, raising gross proceeds of \$3,083,000 by way of the sale of units at the price of \$0.20 per unit consisting of Common Shares and one half of one warrant. Each warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.35 per share until March 21, 2025. The Company paid finder’s fees consisting of the following: (i) cash commission of \$38,675; and (ii) 193,375 Warrants, each of which enables the holder thereof to acquire one Common Share at a price of \$0.20 per share until March 21, 2025.

On April 26, 2023, the Company announced results from its preliminary ground exploration program at the Antino Gold Project focused on mapping and sampling in pits and other areas exposed by recent historical mining. Gold mineralization grading up to 54 g/t Au is reported from rock grab and channel samples collected in shallow artisanal mining pits and trenches along more than 1.5 kilometers of strike length transecting the Antino Property’s Upper Antino Area. Highlights included:

- 45 rock grab and channel samples out of 411 samples taken grading above 1.00 g/t Au and up to 54.12 g/t Au.
- Demonstrable continuity of high-grade gold confirmed over a strike length of more than 1.5 km.
- Confirmation of an extensive, mineralized shear zone with several subsidiary structures.
- High-grade gold mineralization is associated with quartz veining in a number of 5-25 m wide discreet shear structures within a broad shear zone.
- Samples grading over 10 g/t Au collected from exposed pit walls at both the NW and SE end of the mineralized zone.

- Potential for significant lower-grade gold mineralization associated with broad stockwork veining in intrusive rocks.

On July 6, 2023, the Company announced the start of its 2023 drill program at the Antino Gold Project, expanding the known gold mineralization at the high-grade Froyo Zone in the Upper Antino Area. In addition to the successful mobilization and start of the 2023 drill program, the Company completed camp and road upgrades to increase operational efficiency, streamline core processing, and accommodate the near-term increase to two core drilling rigs.

On July 27, 2023, the Company announced initial early results with the following highlights:

- Drillhole 23FRDD003 intercepts 12 m of 19.22 g/t Au, including 3 m of 29.90 g/t Au and 2.65 m of 22.37 g/t Au.
- Drillhole 23FRDD001 returns 4.5 m of 9.92 g/t Au.
- The new gold intercepts are potential down-dip and along-strike extensions of previously reported high-grade surface grab samples with gold assays of up to 57.84 g/t Au.
- Efficient and cost-effective use of Founders' own drill rig with over 2,000 m of drilling to date with a second drill still to come on-line.

On August 8, 2023, the Company completed a high-resolution induced polarization and electrical resistivity survey at the Antino Gold Project. The ground-based geophysical survey identified several resistivity and chargeability anomalies coincident with known gold mineralization. The survey upgrades several exploration targets to drill-ready status and provides Founders with many new high-priority exploration targets in the Upper Antino area. Nineteen line-kilometres of grid gradient and seven line-kilometres of pole-dipole IP surveys were completed by GexplOre. The geophysical surveys cover key targets within the Upper Antino area, including established high-grade gold zones. A strong correlation between chargeability highs and gold mineralization supports significant potential to expand known gold mineralization to depth and further along strike.

On August 10, 2023, the Company announced additional drill core assay results from its maiden drill program at the Antino Gold Project. The Company reports further high-grade gold intercepts as it continues to step-out from and expand gold mineralization in the Froyo Gold Zone. Rapid assay turnaround times allow Founders to continuously share results and demonstrate the incremental growth of this high-grade gold zone to depth and along strike. Highlights included:

- Drillhole 23FR009 intersects 9.00 metres (m) core length of 11.10 grams per tonne (g/t) gold (Au) including 6 m of 15.92 g/t Au and 4.25 m of 19.29 g/t Au.
- Drillhole 23FR010 returns 12.20 m core length of 8.75 g/t Au.
- Highest grade assay to date from Drillhole 23FR007 at 0.95 m of 115 g/t Au.
- The new gold intercepts demonstrate continuity of high-grade gold to depth and along strike.
- Over 3200 m of drilling to date with now consistent drill core recovery in saprolite zones above 90%.

On August 24, 2023, the Company announced that it began trading on the Frankfurt Stock Exchange under the symbol 9DLO. The Company also announces drill core assay results from its first drill program at the Antino Gold Project with around 3500 m of the planned 10,000 m drill program completed. New gold intercepts demonstrated continuity to depth and were along strike of high-grade gold mineralization. The results showed very high drill core recovery in mineralized zones beginning to demonstrate broader overall widths of high-grade gold than recognized by previous explorers.

On August 28, 2023, the Company completed a non-brokered private placement, raising gross proceeds of \$1.7 million for 4,250,000 Common Shares at a price of \$0.40 per Common Share.

On November 28, 2023, the Company closed a bought-deal private placement offering of 7,187,500 Common Shares at a price of \$0.80 per Common Share for aggregate gross proceeds of \$5,750,000 including the full exercise of the 15% over-allotment option granted to the underwriters which included BMO Nesbitt Burns Inc., as lead underwriter, on behalf of a syndicate of underwriters including Paradigm Capital Inc. and Clarus Securities Inc.

On December 4, 2023, the Company announced that the Common Shares are trading in the United States on the OTCQX Best Market under the symbol “FDMIF”.

MATERIAL FACTS

There are no material facts about the Offered 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.

BUSINESS OBJECTIVES AND MILESTONES

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

The Company intends to use the net proceeds for drilling and exploration work at its Antino Gold Project in southeast Suriname, as well as for general corporate and working capital purposes. The Company lists the following priorities:

Significant Event	Expected Time Period	Expected Cost
Up to 30,000 meters of diamond drilling	12 months	\$5,500,000
Geophysical surveys and ground exploration	12 months	\$1,000,000
Completing initial environmental baseline work and preliminary environmental impact assessment	12 months	\$350,000
Project payments (Option stage 1)	3 months	\$2,100,000
	Total	\$8,950,000

USE OF AVAILABLE FUNDS

What will our available funds be upon closing of the Offering?

As outlined in the table below, the Company's available funds following closing of the Minimum Offering is expected to be approximately \$2,870,000 and following closing of the Maximum Offering is expected to be approximately \$12,270,000.

	<u>Assuming Minimum Offering Only</u>	<u>Assuming 100% (Maximum) of Offering</u>
A Amount to be raised by this Offering:	\$Nil	\$10,000,000
B Selling commissions & fees:	\$Nil	\$600,000
C Estimated Offering costs: (e.g. legal, accounting, audit)	\$30,000	\$30,000
D Net proceeds of Offering: (D = A – (B + C))	(\$30,000)	\$9,370,000
E Working capital as at April 30, 2024:	\$2,900,000	\$2,900,000
F Additional sources of funding:	\$Nil	Nil
G Total available funds: (G = D + E + F)	\$2,870,000	\$12,270,000

How will we use the available funds?

The Company intends to use the available funds as described in the table below:

<u>Description of intended use of available funds listed in order of priority</u>	<u>Assuming Minimum Offering Only</u>	<u>Assuming 100% of (Maximum) Offering</u>
Exploration and Drilling Activities on the Antino Gold Project	\$200,000	\$8,200,000
Project Option payments to optionor, Nana Resources N.V., for option on 51% of Antino Gold Project	\$325,000	\$2,100,000
Environmental baseline and impact assessment work	\$70,000	\$350,000
Working capital and general corporate expenses for next 12 months	\$2,275,000	\$1,620,000
Total: Equal to G in the available funds in item above	\$2,870,000	\$12,270,000

The above noted allocation represents the Company's current intentions with respect to its use of available funds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from this 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 its business plan and financing objectives. The Company has generated negative cash flows from operating activities since inception and anticipates that it will continue to have negative operating cash flow until profitable commercial production at one or more of its properties is achieved. As a result, certain net proceeds from

this Offering may be used to fund such negative cash flow from operating activities in future periods. See “*Cautionary Statement on Forward-Looking Information.*”

The Company's most recent audited annual financial statements and unaudited interim financial statements included a going concern note. As the Company is at the exploration stage, the recoverability of amount for exploration and evaluation of assets and the Company’s ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company’s interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production proceeds from the disposition thereof. The net proceeds of the Offering are intended to permit the Company to advance its business objectives and are not expected to affect the decision to include a going concern note in future financial statements of the Company.

How have we used the other funds we have received in the last 12 months?

Previous Financings	Intended Use of Funds	Use of Funds to Date	Variances and Impact on Business Objectives and Milestones
November 28, 2023: Private placement of 7,187,500 Shares at \$0.80 per Share for total gross proceeds of \$5,750,000 less commissions of \$348,000 for net proceeds of \$5,402,000	Ongoing exploration of Antino Gold Project and for general corporate purposes.	Approximately \$4,170,000 for exploration of Antino Gold Project and \$1,232,000 for general corporate expenses.	Exceeded business objectives and milestones. Met second and third-year work commitments under Option Agreement for Antino Gold Project. This will enable the Company to exercise its option under the Option Agreement to acquire 51% ownership of the Antino Gold Project upon payment of stage 1 option payments totaling approximately \$2,100,000.
August 28, 2023: Private placement of 4,250,000 Shares at \$0.40 per Share for gross proceeds of \$1,700,000	Exploration and development of the Antino Gold Project, and general corporate expenses.	\$1,700,000 for exploration of Antino Gold Project.	No variances to business objectives and milestones. Met first-year work commitment under Option Agreement for Antino Gold Project.

FEEES AND COMMISSIONS

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

The Company expects to pay cash finder's fees equal to up to 6% of the gross proceeds received from a purchaser of Shares under the Offering introduced to the Company by a finder. The Company has not engaged a dealer in connection with the Offering.

PURCHASERS RIGHTS

Rights of action in the Event of Misrepresentation

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

- (a) to rescind your purchase of these securities with the Company, or
- (b) to damages against the Company 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 Shares.

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 advisor.

ADDITIONAL INFORMATION

Where can you find more information about us?

The Company's continuous disclosure filings with applicable securities regulatory authorities in the provinces and territories of Canada are available electronically under the Company's profile on the System for Electronic Document Analysis and Retrieval Plus (SEDAR+) at www.sedarplus.ca.

For further information regarding the Company, visit our website at <https://www.fdrmetals.com/news/>.

[The next page is the Certificate page.]

CERTIFICATE

Dated: May 17, 2024

This offering document, together with any document filed under Canadian securities legislation on or after December 28, 2023 contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Founders Metals Inc.

“Colin Padget” (signed) _____
Chief Executive Officer, President and director

“Samuel Yik” (signed) _____
**Chief Financial Officer
and Corporate Secretary**