

CONFIDENTIAL LIMITED OFFERING MEMORANDUM

Confidential Number: _____

FARAFINA GOLD GROUP S.A.

244,000 grams of gold (approximately 10 million US Dollars)

244,000 shares of Common Stock (“Shares”)

1 gram of gold (41 US Dollars) per share

Farafina Gold Group is offering 244,000 shares of Common Stock for 1 gram of gold per share.

THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. PLEASE SEE RISK FACTORS SECTION FOR FULL DISCLOSURE.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY COUNTRY, STATE OR JURISDICTION IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION PROVIDED BY APPLICABLE SECURITIES LAWS. FARAFINA GOLD GROUP S.A. IS REGISTERED AND REGULATED BY THE REPUBLIC OF GUINEA. MANAGEMENT AND LEGAL COUNSEL ARE CURRENTLY REVIEWING SEVERAL JURISDICTIONS FOR POSSIBLE REDOMICILIATION OF THE HOLDING COMPANY AND REGISTRATION OF THE PRESENT SECURITIES OFFERING.

YOU MAY SUBSCRIBE TO THIS PRIVATE OFFERING IN ACCORDANCE AT ANY TIME BY CONTACTING OUR INVESTOR RELATIONS DEPARTMENT VIA E-MAIL INFO@FARAFINA.BIZ

FARAFINA GOLD GROUP RESERVES THE RIGHT TO REGISTER AND PROMOTE THIS OFFERING VIA AN EQUITY TOKEN OFFERING (ETO) WITHOUT NOTICE.

	Sale Price	Selling Commissions (1)	Proceeds To Company (2)
Per Share	1 gram of gold	None	1 gram of gold
Minimum	None	None	None
Maximum	244,000 gr gold	None	244,000 gr gold

FARAFINA GOLD GROUP
Farafina Village, Mandiana Prefecture,
Kankan Region, Guinea
INFO@farafina.biz
www.farafina.biz

The Date of this Memorandum is February 1, 2019

(1) The Offering is not underwritten. The Shares are offered on a “best efforts” basis by the Company through its officers and directors. The Company has set the target gross proceeds of the equivalent of 244,000 grams of gold (approximately 10 million US Dollars) for this Offering.

(2) The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) February 1, 2020, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “Offering Period”).

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY NATIONAL OR STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY’S SHARES OF COMMON STOCK AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE SHARES WILL BE ACCEPTED FOR INCLUSION ON ANY TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER THE REPUBLIC OF GUINEA OR ANY FOREIGN SECURITIES LAWS THE SHARES PURCHASED PURSUANT HERETO. THE OFFERING PRICE OF THE SECURITIES TO WHICH THE CONFIDENTIAL TERM SHEET RELATES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

All of the information provided herein has been provided by the Management of the Company. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company’s performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

No general solicitation or advertising in whatever form will or may be employed in the offering of the securities, except for this Memorandum (including any amendments and supplements hereto), the exhibits hereto and documents summarized herein. Other than the Company's management, no one has been authorized to give any information or to make any representation with respect to the Company or the Shares that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

This Memorandum does not constitute an offer if the prospective investor is not qualified under the securities laws of the country where the prospective investor resides.

This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of shares subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Shares. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

FARAFINA SARL OFFERING MEMORANDUM

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FARAFINA

GOLD GROUP

IN GOLD WE TRUST[®]

EXECUTIVE SUMMARY

REPUBLIC OF GUINEA
FEBRUARY 2019

What is the Farafina Gold Group?

“With the dedicated efforts of our multinational team and a sophisticated approach to exploration, Farafina Gold Group has already captured first-mover advantage in several gold-rich areas of the Republic of Guinea. These are not just hollow words, these are facts. As one example, we were the first player in the region to utilize aerial mapping in concert with Micromine modeling to survey the geology and realize that we are literally sitting on a ‘pot of gold’. If we simply execute on our strategy, the returns we will deliver to our investors will blow our competition out of the water.” – Mr. Ilya Karas, Chairman, Farafina Gold Group

Farafina Gold Group (FGG or Farafina) is a rapidly growing gold mining company located in the West African Republic of Guinea. Farafina is a holding company which owns six gold mining and exploration companies, with consolidated recoverable resources and reserves estimated at about one million ounces of gold.

Founded in 2013 as gold exploration ventures, Farafina’s subsidiaries have made impressive strides and are now executing on an aggressive development plan.

FGG represents one of the most dynamic investment opportunities in the junior gold mining industry in Western Africa:

- As an investment destination for mineral mining projects, the Republic of Guinea remains one of the best-kept secrets in the world;
- Owing to intensive activities pursued since 2013, FGG management has substantially mitigated one of the most important risk factors – namely exploration risk;
- Due to the utilization of cutting-edge information technology, FGG is able to capture the benefits of virtually unparalleled operating leverage;
- Experts project that gold will outperform as an asset class due to the twin forces of slowing global economic growth and inflation;
- The risk-reward profile for an equity investment in FGG equity is outstanding. Based on the results of our geological surveys and conservative projections, investors may be able to realize a return on their investment potentially exceeding 300% in a span of 3-4 years. The downside risk remains quite limited due to the fact that we use a \$300/oz price to value the FGG mineral resources reserves.

The Republic of Guinea

The path of Guinea, from poverty to prosperity, is paved with natural resources ... The Guinean government has set up the two essential elements of good governance in the management of natural resources: the revised Mining Code and a review of existing mining contracts will ensure that they comply with the legitimate interests of the country. These governance pillars provide a receptive environment for private investment: equal treatment of investors and stable long-term agreements, based on the principle of mutual benefit that will withstand a changing environment” – Sir Paul Collier, Professor, Oxford University

The Republic of Guinea boasts an impressive gold mining tradition, dating all the way back to the Mali Empire in the Middle Ages, all the way through the colonial era and the modern times. This country features one of the most impressive untapped mineral reserves bases in the world. According to the KPMG Global Mining Institute Country Mining Guide, “Guinea has some of the world’s largest high-grade bauxite, iron ore and gold reserves, but has been largely unable to benefit from its mineral resources.”



Figure 1: Republic of Guinea location

We would only like to add -- “so far”.

According to the Republic of Guinea Ministry of Mines and Geology, the country currently produces around 20 tons of gold annually, while its potential reserves are estimated at 700 tons. We believe that the potential may be vastly understated.

Under the President Alpha Condé administration, Guinea has joined the Extractive Industries Transparency Initiative, secured debt relief through the Heavily Indebted Poor Countries (HIPC) Initiative and considerably improved in major corruption indices.

International interest in the jurisdiction is increasing, as the Republic of Guinea joined the Extractive Industries Transparency Initiative (EITI) in 2014 and was selected to host the African Minerals Development Center in 2018.

Guinea is now home to several active mines and prospective projects, with major international conglomerates such as Alcoa, Mudabala, Rio Tinto, AngloGold, and Nordgold committing billions of dollars to gold, bauxite, and diamond mining projects in the country.

Funding requirements

Farafina Gold Group SA is seeking to raise the equivalent of 10 million US Dollars by selling common stock of the Company. The capital will be used to finance capital expenditures and working capital to execute on our aggressive production plan.

Projected return on investment

As the enclosed table and graphs demonstrate, using the example of the Kanguela East and Nzima subsidiaries (one of which is already licensed for production and the other expecting approval imminently) the basic investment profile of the project is outstanding. Even though the result is not guaranteed and is subject to risks disclosed herewith, in the base case scenario common stockholders can expect to earn 200% - 300% on their investment within 36 months.

Table 1: FGG Return on Investment (ROI) model

License area	Nzima	Kanguela
Content of gold in mine ore, g/ton	2.5	2.5
Extraction coefficient	0.8	0.8
NPV of the project in 48 months, at the price of 1 300 USD/Oz	10,000	27,000
Projected Return on Equity	2.02	3.11
Payback period, months	34	16

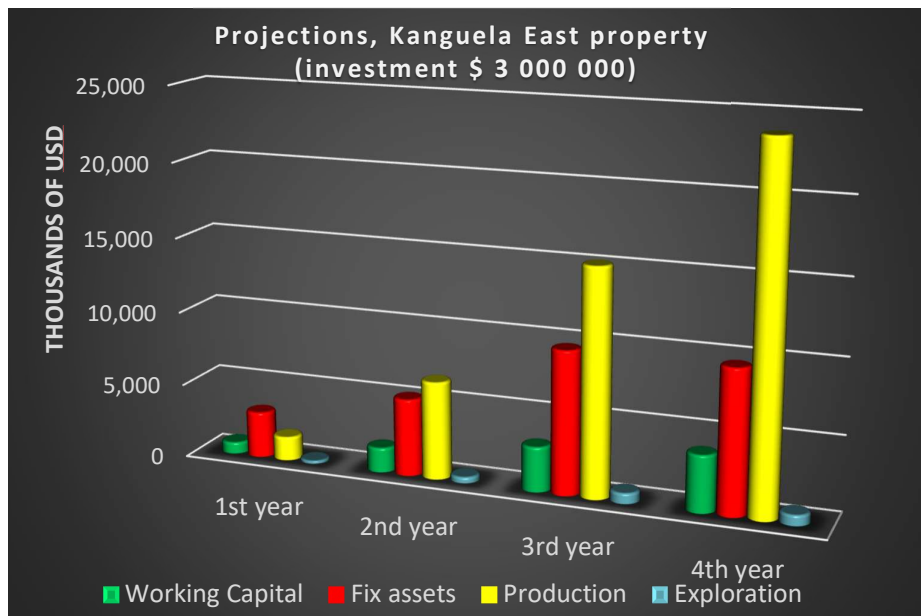


Figure 2: Projected Shareholders Equity

Based on the assumptions presented in this offering memorandum, the following graphic represents the management projections of the growth in shareholders equity for the entire Farafina Gold Group:

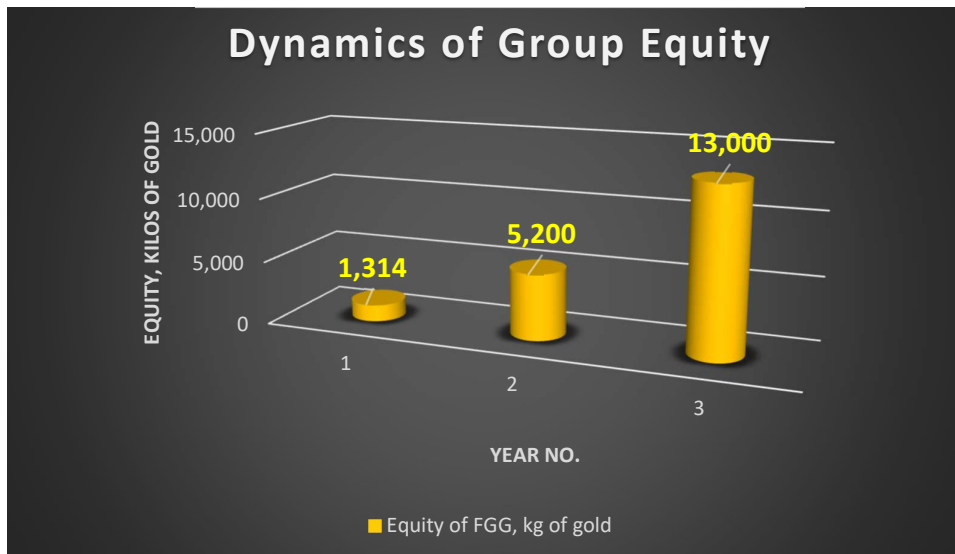


Figure 3: Projected Shareholders Equity

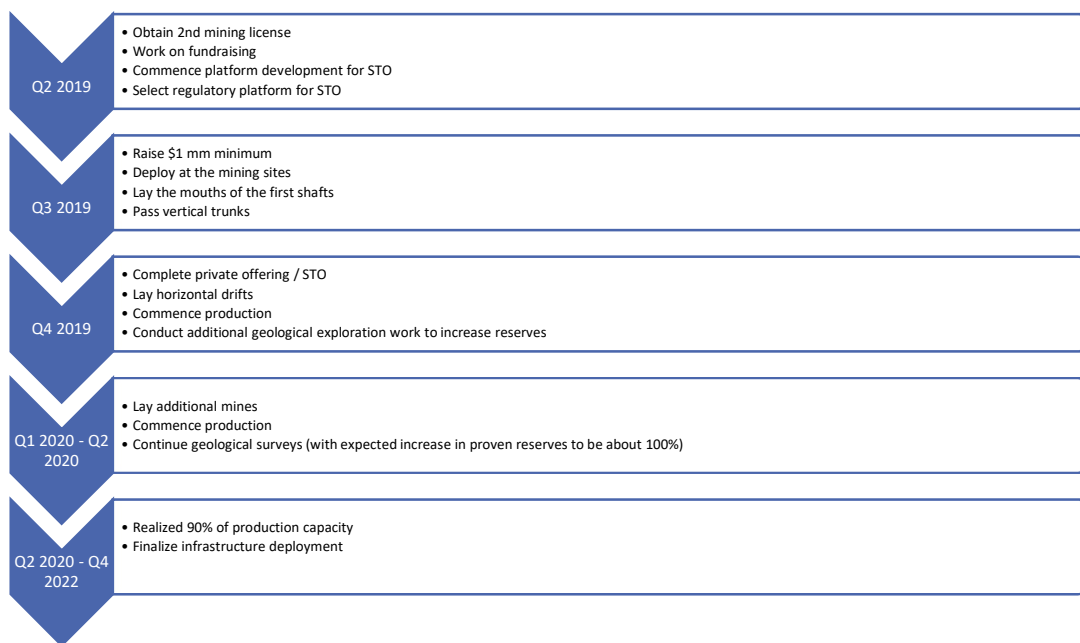
Pathway to success

“A good plan, violently executed now is better than a perfect plan tomorrow.”
– George Patton

It is not enough to have amazing resources and an excellent plan. Execution counts for everything. Fortunately, Farafina has developed and is already pursuing a detailed execution plan, the highlights of which are presented herein.

The objective of this equity offering is to finance gold mining operations on our flagship mining territories, in compliance with the terms and conditions stipulated by the Guinean licensing and regulatory agencies.

Total capital expenditures needed to bring the first production site online are estimated at \$3 mm. The management shall initiate pre-production activities as soon as we secure a minimum investment of \$1 mm.



FGG Advantage #1: We have already eliminated most of the exploration risks

Exploration is the riskiest phase of gold mining start-ups; it also accounts for the lion’s share of risks. This is the main barrier to entry for most junior gold mining companies. Established high-grade reserves, on the other hand, offer investors high returns and overall efficiency of mining. We have great news to report to potential investors: Farafina has completed an exhaustive exploratory study, which took us over six years to complete and resulted in 900 pages of geological information (available upon request).

Traditional topographic surveys of African landscapes are prohibitive and expensive for even the largest of gold mining companies. FGG was able to achieve exploration efficiency only by deploying high-quality aerial mapping of hundreds of square kilometers, with the output made available to survey professionals in high-resolution digital images.

The data was interpreted by a professional team of geologists and the results are impressive. The total combined indicated resources and reserves on all FGG licensed properties lead the management to believe that within 3 years, the Group may reach assets totaling between \$1.2 - \$1.5 billion (based on a conservative estimate of \$300 per 1 Oz of recoverable reserves).

FGG Advantage #2: Our operating strategy is an undeniable source of sustainable competitive advantage

FGG operates in a remote area with poor infrastructure, expensive labor costs and a limited supply of qualified engineers and workers. We know exactly how to overcome these barriers.

The Farafina competitive advantage is based on the perfect blend of local expertise and cutting edge technology: high-speed satellite Internet, remote-control management, physical analysis, aerial topography, image recognition software for mapping, laboratory complex for analysis of ore, 3D expert software with on-line modeling of gold bodies based on analytical data, 3D modeling software for open-pit construction and sub-surface shafts, interfacing with gold body dynamic models, etc.

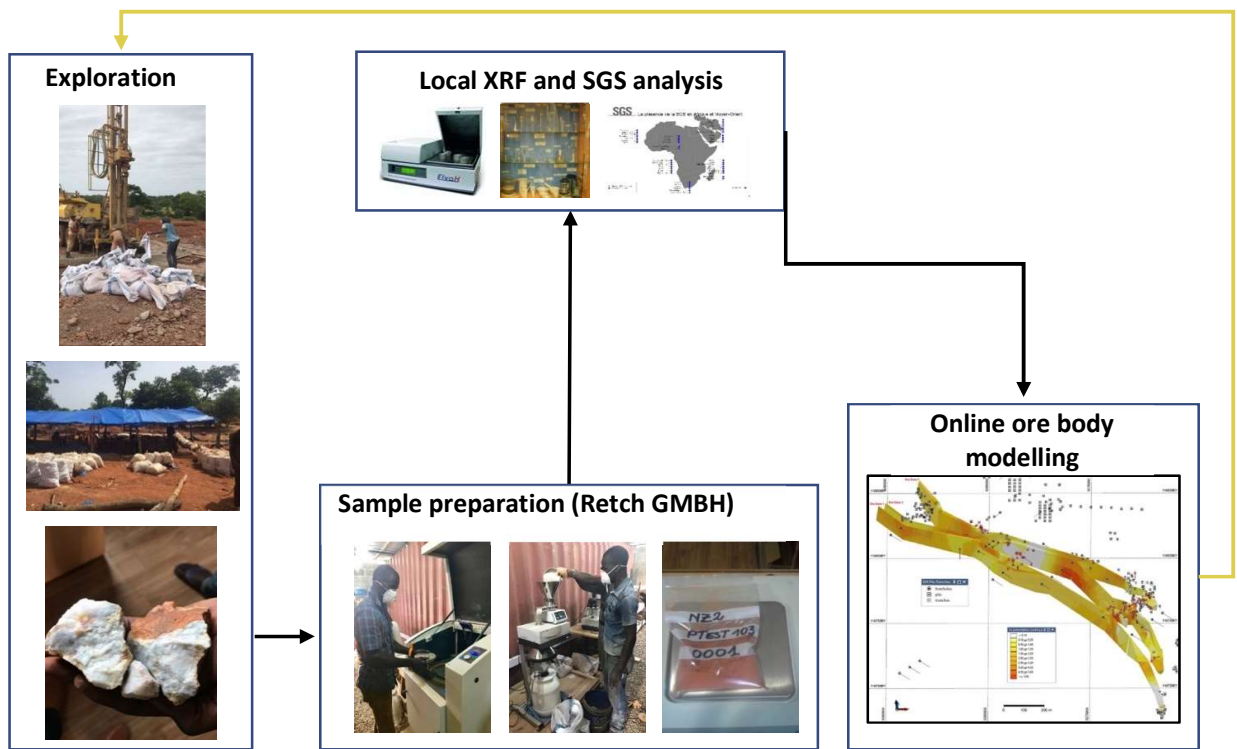


Figure 4: Stages of gold reserves exploration and modeling process

FGG Advantage #3: Restoring the gold standard as an accounting unit

“Indeed, there can be no other criterion, no other standard than gold. Yes, gold which never changes, which can be shaped into ingots, bars, coins, which has no nationality, and which is eternally and universally accepted as the unalterable fiduciary value par excellence.” – Charles de Gaulle

It is not an accident that Farafina Gold Group's motto is "In Gold We Trust[®]".



Figure 5: Carafina coin sample

In light of relative currency instability and inflationary environment in many emerging markets, it is Farafina's objective to maintain its financial records in accounting units directly linked to the international spot gold price. We are currently exploring several alternatives to execute this mission, including the issuance of "Carafina" coins (pictured above) for debt and equity securities via a blockchain-based ledger.

As gold carries a negative discount rate, our future cash flows will be denominated in gold-linked units and not discounted. This practice will allow the management and investors to better estimate the free cash flows derived from gold production and sales over the lifespan of the project.

By definition, such estimates are always approximate and subject to basis and market risks. Our forecast models were built with maximum conservatism and comply with best-of-breed valuation practices for companies operating in frontier markets.

Therefore, the appraisal of the FGG gold reserves was based on only 3.5% of the current spot gold price. (In practice once mining operations are commenced, the valuation of the company may be tied to the earnings generated by the business before interest, taxes, depreciation and amortization).

The benefits of a gold-linked primary accounting currency are manifold. Maintaining a balance sheet in gold-linked units would:

- Counteract the erosive effects of inflation;
- Reduce balance sheet volatility;
- Lower the discount rate for the calculation of the net present value of projects.

This is also the reason that Farafina is marketing this Private Offering in gold-linked units.

FGG Advantage #4: The Farafina team is our most valuable asset





Summary of the Offering

The following material is intended to summarize information contained elsewhere in this Limited Offering Memorandum (the “Memorandum”). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing for Shares.

The Company

The group of companies consolidated under the umbrella of the Farafina Gold Group SA (“Farafina”, or the “Company”), began operations in 2013. The Company owns 100% of the shares of Farafina Mineral SARL, Farafina Resources SARL, Lions Head Resources SARL, Kanguela Mining Company SARL, and Tiger Resource SARL. Its administrative offices are presently located at Immeuble Mamou, 6th floor, Cite chemin de fer, Commune de Kaloum, Conakry, Republic of Guinea. Its principal operating offices are presently located at Farafina Village, Mandiana Prefecture, Kankan Region, Republic of Guinea. The CEO of the Company is Mr. Ousmane Tunkara.

Business Plan

The Business Plan, included as Part B of this Memorandum, was prepared by the Company using assumptions set forth in the Business Plan, including several forward-looking statements. Each prospective investor should carefully review the Business Plan before purchasing Shares. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

The Offering

The Company is offering up to 244,000 Shares of Common Stock at a price of 1 gram of gold per Share. Upon completion of the Offering 2,000,000 shares will be outstanding. Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser’s qualifications as an Accredited Investor or one of 35 Non-Accredited Investors that may be allowed to purchase Shares in this offering. SEE “REQUIREMENTS FOR PURCHASERS.”

Risk Factors

See “RISK FACTORS” in this Memorandum for certain factors that could adversely affect an investment in the Shares.

Use of Proceeds

Proceeds from the sale of Shares will be used to finance exploration and mining activities. SEE “USE OF PROCEEDS.”

Stockholders

Upon the sale of the maximum number of Shares from this Offering, the number of issued and outstanding shares of the Company’s stock will be held as follows

Table 2: FGG equity structure following completion of private offering

Shareholders	Maximum
Present Shareholders	50%
New Shareholders	20%
Treasury Stock	30%

Registrar

The Company will serve as its own registrar and transfer agent with respect to its Shares of Common Stock.

Subscription Period

The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) February 1, 2020 or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “Offering Period”).

Requirements for Purchasers

Prospective purchasers of the Shares offered by this Memorandum should give careful consideration to certain risk factors described under “RISK AND OTHER IMPORTANT FACTORS,” and especially to the speculative nature of this investment and the limitations described under that caption with respect to the lack of a readily available market for the Shares and the resulting long-term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors), or one of 35 Non-Accredited Investors that may be allowed to purchase Shares, having adequate means to assume such risks and of otherwise providing for their current needs and contingencies should consider purchasing Shares.

General Suitability Standards

The Shares will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

- (a) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Shares;
- (b) The prospective purchaser’s overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Shares will not cause such overall commitment to become excessive; and
- (c) The prospective purchaser is an “Accredited Investor” (as defined below) suitable for purchase in the Shares.

Each person acquiring Shares will be required to represent that he, she, or it is purchasing the Shares for his, her, or its own account for investment purposes and not with a view to resale or distribution. See “SUBSCRIPTION FOR SHARES.”

Accredited Investors

The Company will conduct the Offering in such a manner that Shares may be sold only to “Accredited Investors”, or to a maximum of 35 Non-Accredited Investors that may be allowed to

purchase Shares in this offering. In summary, a prospective investor will qualify as an “Accredited Investor” if he, she, or it meets any one of the following criteria:

- (a) Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase, exceeds \$1,000,000;
- (b) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and who has a reasonable expectation of reaching the same income level in the current year;
- (c) Any licensed bank, or any savings and loan association or other institution, whether acting in its individual or fiduciary capacity; any broker or dealer; any insurance company; any investment company or a business development; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a country or state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- (d) Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (e) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person; and
- (f) Any entity in which all the equity owners are Accredited Investors.

Other Requirements

No subscription for the Shares will be accepted from any investor unless he is acquiring the Shares for his own account (or accounts as to which he has sole investment discretion), for investment and without any view to sale, distribution or disposition thereof. Each prospective purchaser of Shares may be required to furnish such information as the Company may require to determine whether any person or entity purchasing Shares is an Accredited Investor, or select Non-Accredited Investor who may purchase Shares.

Forward Looking Information

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward-looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company’s control, that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward-looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Board of Directors

The Company has established a Board of Directors, which includes highly qualified business and industry professionals. The Board of Directors will assist the Management team in making appropriate decisions and taking effective action; however, they will not be responsible for Management decisions. Currently there are four members of the Board of Directors:

Mr. Iliia Karas, Chairman
Mr. Mikyta Iankovskiy
Mr. Andrei Orlov
Mr. Numukeh Tunkara

Management

At the present time, the following individuals represent the key management positions in the company:

- Mr. Ilia Karas, Chairman of the Board
- Mr. Ousmane Tunkara, Director General
- Mrs. Natalia Bariatska, Chief Geologist
- Mr. Vasilii Maltsev, Deputy Director

Ilia Karas, Chairman:

Mr. Karas is an accomplished international businessman and executive with more than four decades of international experience covering such diverse industries as energy, banking, and information technology. In addition to degrees in law and cybernetics, Mr. Karas holds advanced degrees from Harvard Business School, New York Institute of Finance, and the Gubkin State Academy of Oil and Gas.

Mr. Ousmane Tunkara, CEO (Director General):

Prior to joining Farafina in 2017, Mr. Tunkara has occupied senior positions with the World Wood Programme and Sierra Leone Brewery. He holds degrees in business management from Gamal Abder Nasser University (Guinea) and accounting from the University of General Lansana Conte Sonfonia (Guinea).

Ms. Natalia Bariatska, Chief Geologist:

Ms. Bariatska holds several master's and postgraduate degrees with focus in geochemistry, geology of mineral deposits, mineralogy, petrology, and geoinformatics. She has been a senior researcher focusing on geology of metal and nonmineral deposits since 2009 with the National Academy of Science of Ukraine. Ms. Bariatska has a wealth of international experience in geological exploration of ore projects in America, Mexico, Afghanistan, Guinea, and other countries.

Mr. Vasilii Maltsev, Deputy Director:

Mr. Maltsev graduated with a Master's Degree in physics from the Institute of Radio Engineering and Electronics of the Russian Academy of Sciences. He has been employed as Chief Operations Officer of Farafina since 2015, having worked prior to that in international trade and oil services.

Principal Shareholders

The following table contains certain information as of February 1, 2019 as to the number of shares of Common Stock beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's Common Stock, (ii) each person who is a Director of the Company, (iii) all persons as a group who are Directors and Officers of the Company, and as to the percentage of the outstanding shares held by them on such dates and as adjusted to give effect to this Offering.

Table 3: FGG shareholders

Name and Position	Shares	Percentage
Mr. Ilia Karas, Chairman	430	21.5%
Peritimos Investment Limited	300	15.0%
Mr. Numukeh Tunkara	230	11.5%
Mr. Andrei Orlov	100	5.0%
Guinea Farafina Investment Inc	940	47.0%

Litigation

The Company is not presently a party to any material litigation, nor to the knowledge of Management is any litigation threatened against the Company which may materially affect the business of the Company or its assets.

Description of Shares

The Shares offered hereby are 244,000 shares of Common Stock.

The shares of Common Stock are equal in all respects, and upon completion of the Offering, the Common Stock will comprise the only class of capital stock that the Company will have issued and outstanding upon close of the Offering.

Each Common Shareholder is entitled to one vote for each share held on each matter submitted to a vote of the Shareholders.

Shares of Common Stock are not redeemable and do not have conversion rights. The Shares currently outstanding are, and the Shares to be issued upon completion of this Offering will be, fully paid and nonassessable.

In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the holders of the Company's shares of stock will be distributed ratably among such holders in proportion to their shareholdings.

Holders of Common Stock are only entitled to dividends when, as and if declared by the Board of Directors out of funds legally available therefor. The Company has never paid any such dividends. Future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

Transfer Agent and Registrar

The Company will act as its own transfer agent and registrar for its shares of Common Stock.

Plan of Placement

The Shares are offered directly by officers and directors of the Company on the terms and conditions set forth in this Memorandum. Shares may also be offered by brokers and dealers. The Company is offering the Shares on a "best efforts" basis. The Company will use its best efforts to sell the Shares to investors. There can be no assurance that all or any of the Shares offered will be sold.

How to Subscribe for Shares

A purchaser of Shares must complete, date, execute, and deliver to the Company the following documents, as applicable, all of which are included in Part C:

1. An Investor Suitability Questionnaire;
2. An original signed copy of the appropriate Subscription Agreement; and

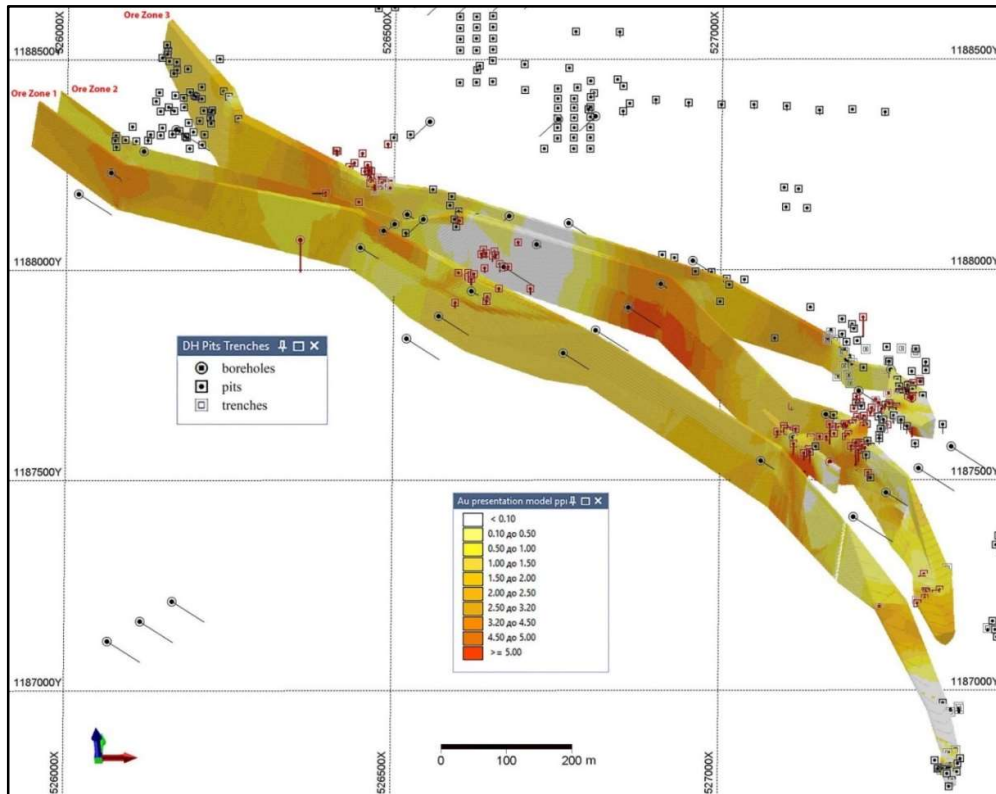
Purchasers of Shares will receive an Investor Subscription Package containing an Investor Suitability Questionnaire and two copies of the Subscription Agreement.

Additional Information

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum.



Business Summary



**REPUBLIC OF GUINEA
FEBRUARY 2019**

Opportunity

Farafina Gold Group S.A. (“FGG” or “Company”) is a holding company registered and operating in the Republic of Guinea. FGG encompasses six gold exploration enterprises, covering a total area of 500 square kilometers. The FGG properties are located at the heart of an ancient gold mining empire, believed to have comprised a part of the Mandingo Empire since the 13th century. A number of significant gold deposits and mines are operating in the neighboring area, including AshantiGold’s Siguiri project, Volcanic Gold Mine’s Mandiana project, as well as others.

This offering represents a unique opportunity for qualified, accredited investors to gain exposure to one of the most prolific geological profiles in Western Africa at the very initial stages of its development lifecycle.

Since 2012, FGG exploration activities have revealed four exceptionally promising areas within a fault zone with mineralization potential graded up to 5 grams per ton and more. As of this writing, the Group has secured a mining license for one of the properties, Kanguela East. The application for a second license (Nzima) has secured the requisite regulatory clearance and is awaiting the President’s approval.

Active mining operations on the Kanguela East and Nzima licensed properties are scheduled to commence no later than the second quarter of 2019. According to management projections, the annual yield from the two licensed mining properties will reach approximately 0.7 – 1 ton by FY2020.

Preliminary assessments indicate that the total recoverable reserves of FGG member companies will exceed 3 – 3.5 million ounces (100 ton) of gold. By commencing production on all of its properties by the end of FY2020, FGG management projects the annual production of the Group will exceed 100,000 ounces (3 tons) by FY2022.

Following the completion of exploration studies and commencement of production on all properties, the total enterprise value as of FY2022 is projected to exceed \$200 - \$300 mm, with assets over \$1 bln (based on management’s conservative estimate of \$300 per one ounce of recoverable gold reserves) and a 3x assets-to-equity multiplier.

To fund the commencement of production on its two flagship mining sites, Farafina intends to raise at least \$10 million in debt and equity funding in 2019, funded in gold and equivalents.

Republic of Guinea

The Republic of Guinea possesses rich generalized hydrography and immense underexploited potential in the mining industrial. Guinea has two-third of the world’s reserves of bauxite, substantial deposits of gold, high-grade iron ore, manganese, zinc, cobalt, nickel, uranium. According to the Republic of Guinea Ministry of Mines and Geology estimates, the country produces an annual average of 15-17 tons of gold. Its potential reserves are estimated at 700 tons.

According to a 2018 IMF report, “the Guinean economy is growing at a faster than anticipated pace on the back of buoyant mining activity. The growth momentum is expected to continue, with real growth at about 6 percent in 2018 and over the medium term.”

The Guinean government actively seeks foreign direct investment to diversify its economy, spur GDP growth, and provide reliable employment. There are no laws in Guinea that discriminate against foreign investors.

Mining activity increased by 52 percent in real terms in 2017, on the back of surging bauxite and gold production. The mining sector accounted for 19 percent of nominal GDP and provided the largest sectoral contribution to real GDP growth.

Licensing

Farafina Gold Group maintains semi-industrial mining license for the Kanguela East property and exploration licenses for its other properties. Copies of all licenses are accessible on <http://www.farafina.biz/home/geological-information/licences>

FGG Location

The Nzima and the Kanguela deposits are situated in the northeastern part of the Republic of Guinea (Figure 1) in the south-east of Mandiana prefecture. The Nzima deposit is located about 787 km by road from Conakry (the country's capital) and about 85 km from the city of Kankan.



Figure 6 Overview map of the Nzima and the Kanguela deposits' locations

The Nzima and the Kanguela East deposits are located within the auriferous Birimian Siguiri Basin and are situated within a mining region in which most of the gold mines of Guinea are based, including the Siguiri Ashanti Goldfields and Nordgold Lefa in the north and Kiniero in the southwest.

Geological structure and mineralization

From the geological point of view, the Nzima and the Kanguela East deposits are located within the West African craton, in the Siguiri basin of Birimian metasediments, which feature gold mineralization. Primary, secondary and alluvial placer gold deposits are usually related and dependent on paleotopography.

Gold mineralization of the deposits is contained within quartz veins and vein zones of mineralization in meta-sedimentary rocks and weathering crusts.

The geological structure of the Nzima deposit constitutes three sub parallel, steeply dipping gold ore zones that extend in a NNW direction of 1.6-2.4 km (Figure 7).

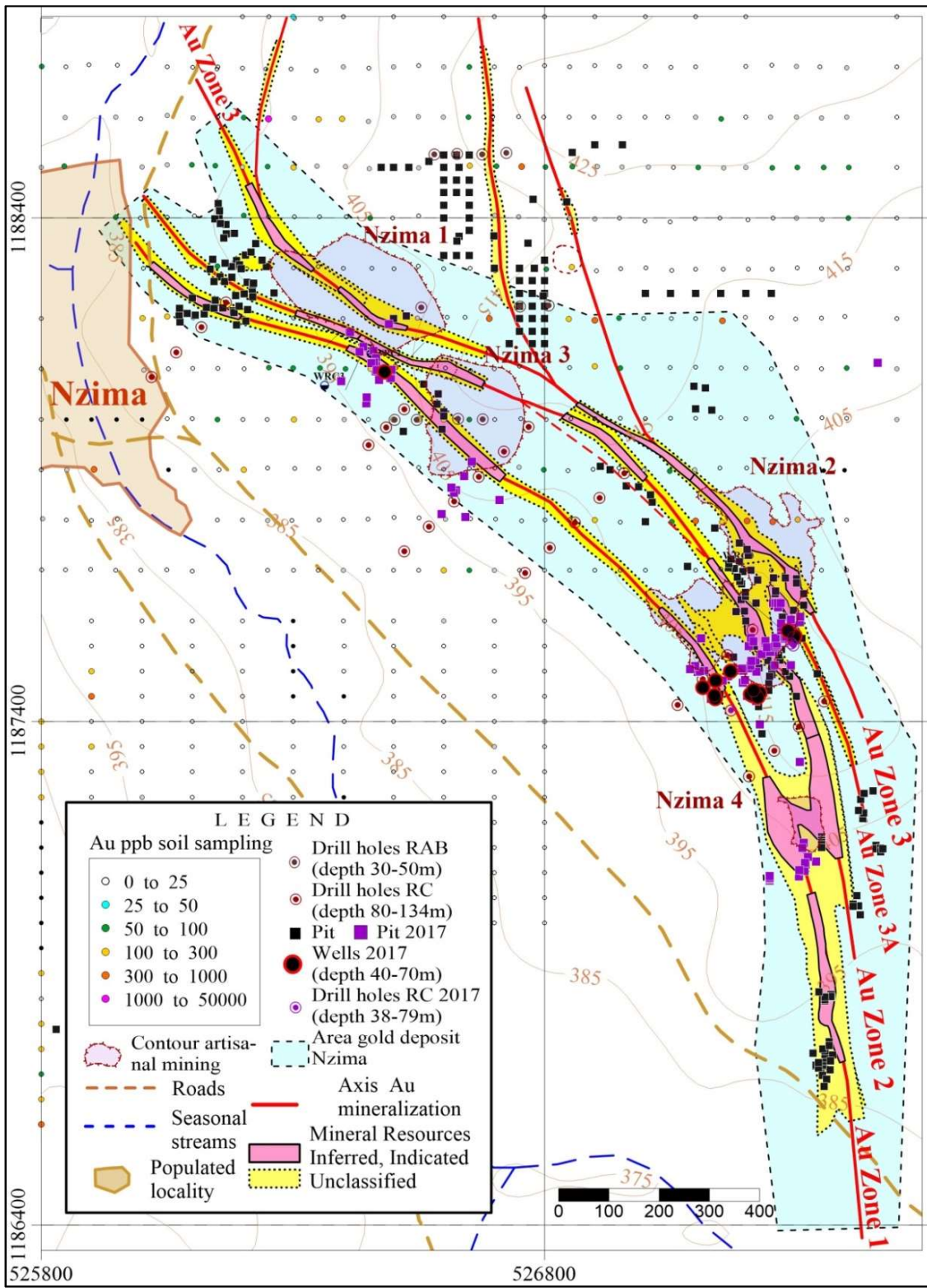


Figure 7 Summary map of exploration results for the Nzima property

The Kanguela East gold deposit includes Gressifalani and Wodokodoni sites. The geological structure of the Gressifalani site includes three primary and four secondary sub-parallel, steeply dipping gold ore zones that extend in a north-west orientation of 0.3-4.0 km (Figure 8, Figure 9).

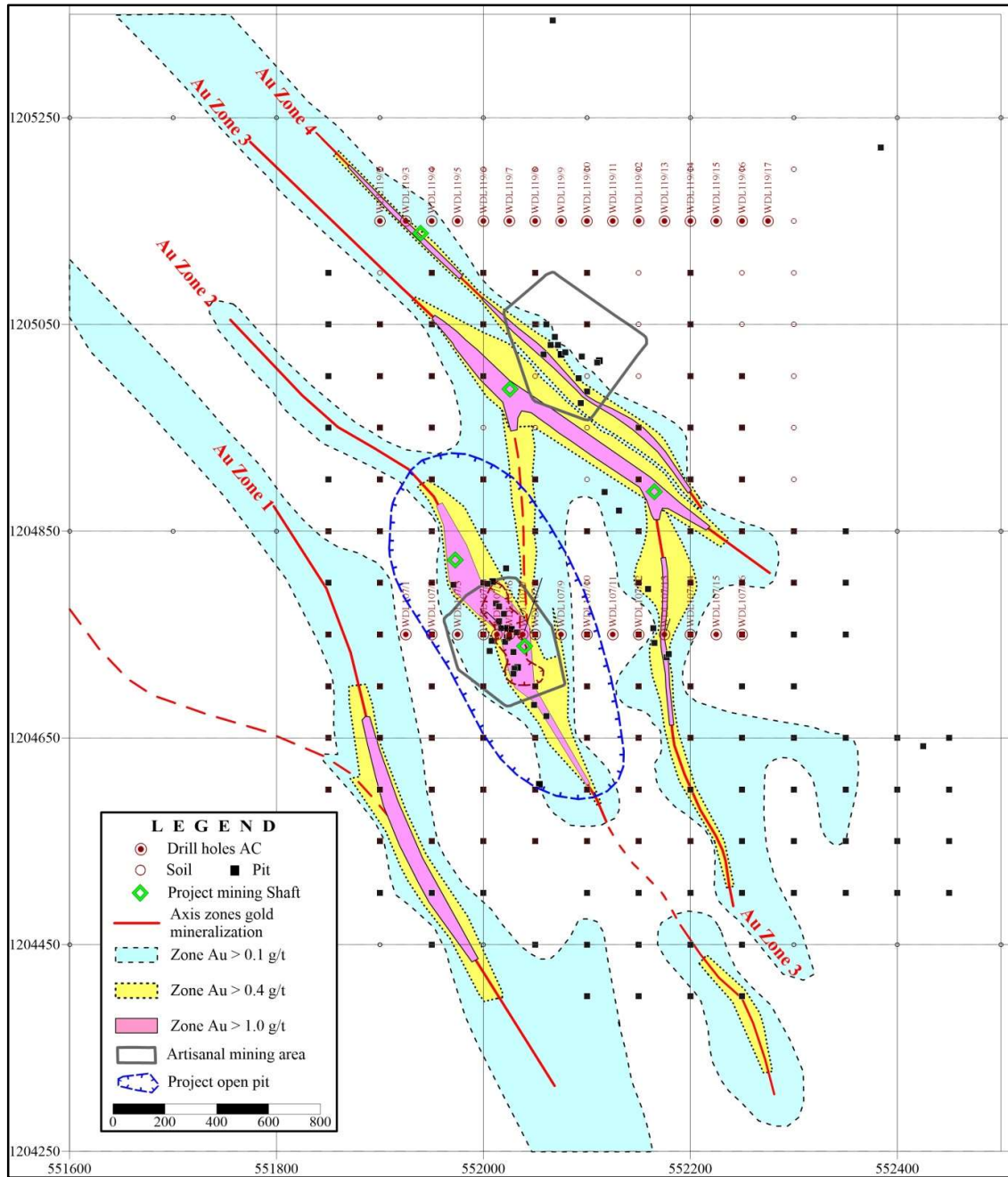


Figure 8 Summary map of exploration results for the Gressifalani site

The Gressifalani site of the Kanguela East deposit has four sub-parallel, steeply dipping gold ore zones of the north-west orientation and 280-630 m (Figure 8).

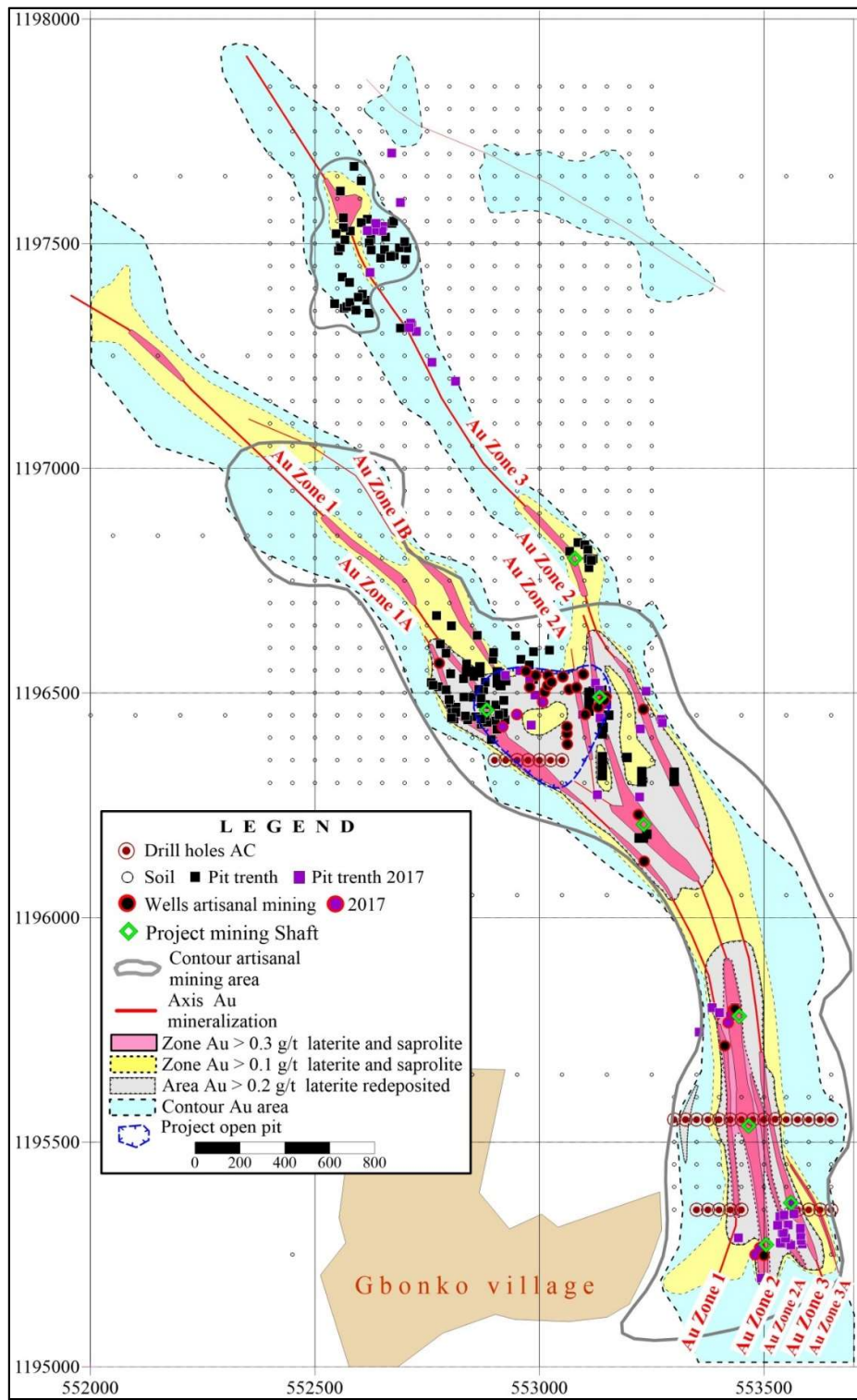


Figure 9 Summary map of exploration results for the Wodokodoni site

Mineral resources

As of January 1, 2019, the Farafina Gold Group mineral reserves are valued at 1.3 tons (\$50 mm, €43 mm). This estimate represents approximately 4% of currently exploitable gold resources and reserves and approximately 1.5-2% of total mineral reserves preliminarily ascertained on the two exploration sites that are available for licensing, exploration and commencement of active mining operations.

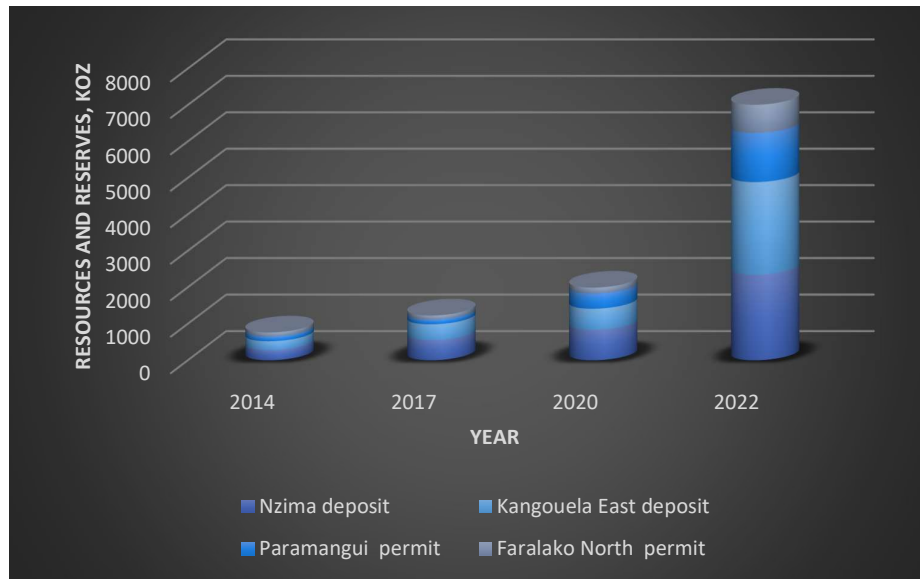


Figure 10 FGG Gold resources and reserves

Estimated resources for the Nzima and the Kangouela East deposits are based on results of reconnaissance works, digital orthophotography, subsoil geochemistry, pit and trench sampling, drilling and analytical works. Specifically of note in the exploration on this deposit is the wide use of digital orthophotography for outlining of artisanal mining sites, as well as the processing of pilling tests.

The mineral resource estimates were carried out by wireframe and block modeling methods of ore zones using Micromine software (Figure 11, Figure 12, Figure 13) and have been classified according to the JORC Code (Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves).

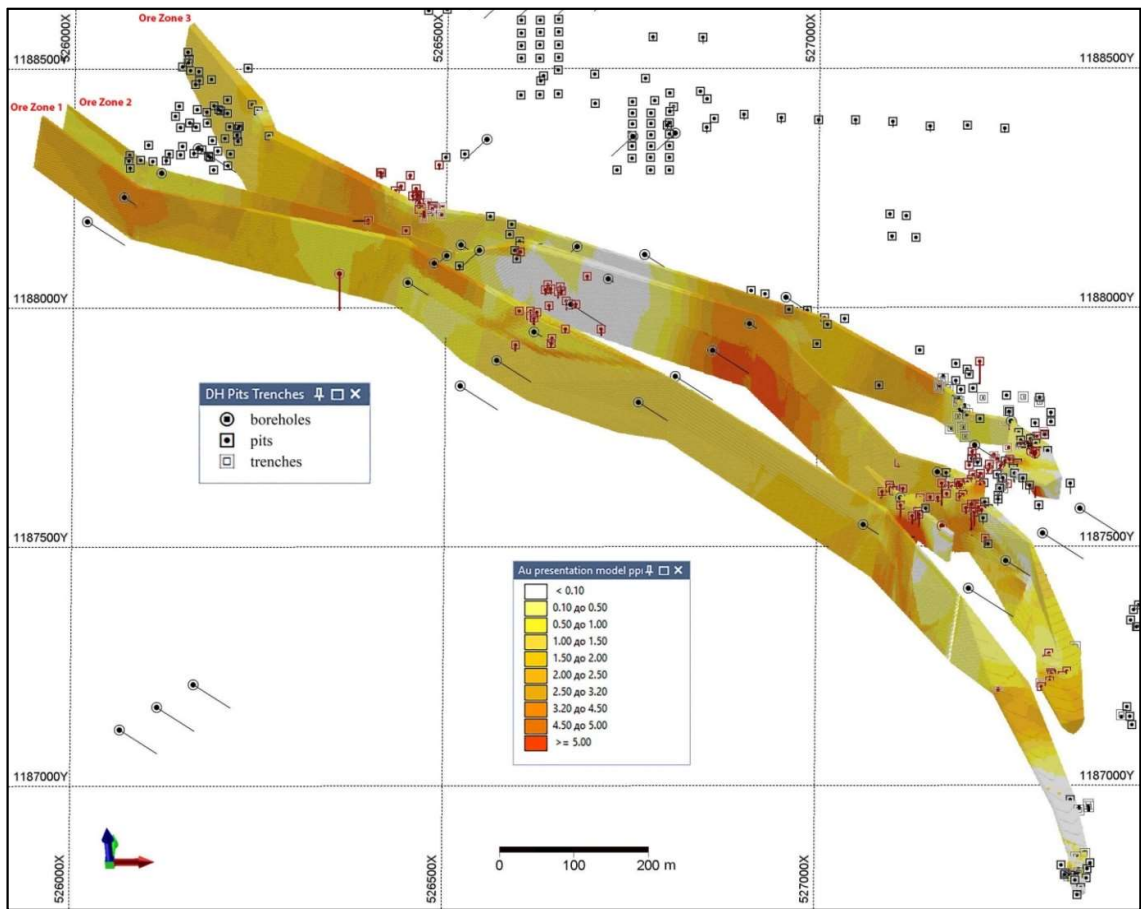


Figure 11 Block model for the Nzima deposit ore zones (3D-visualization)

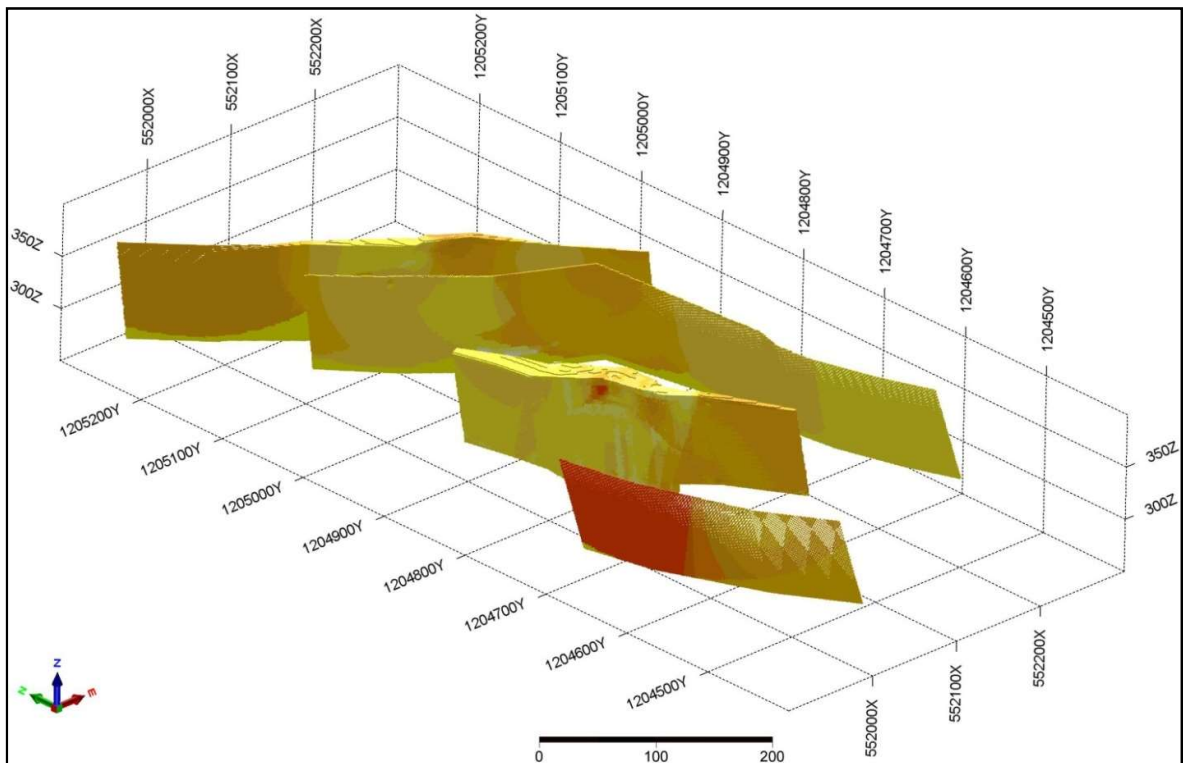


Figure 12 Block model for the Wodokodoni site ore zones (3D-visualization)

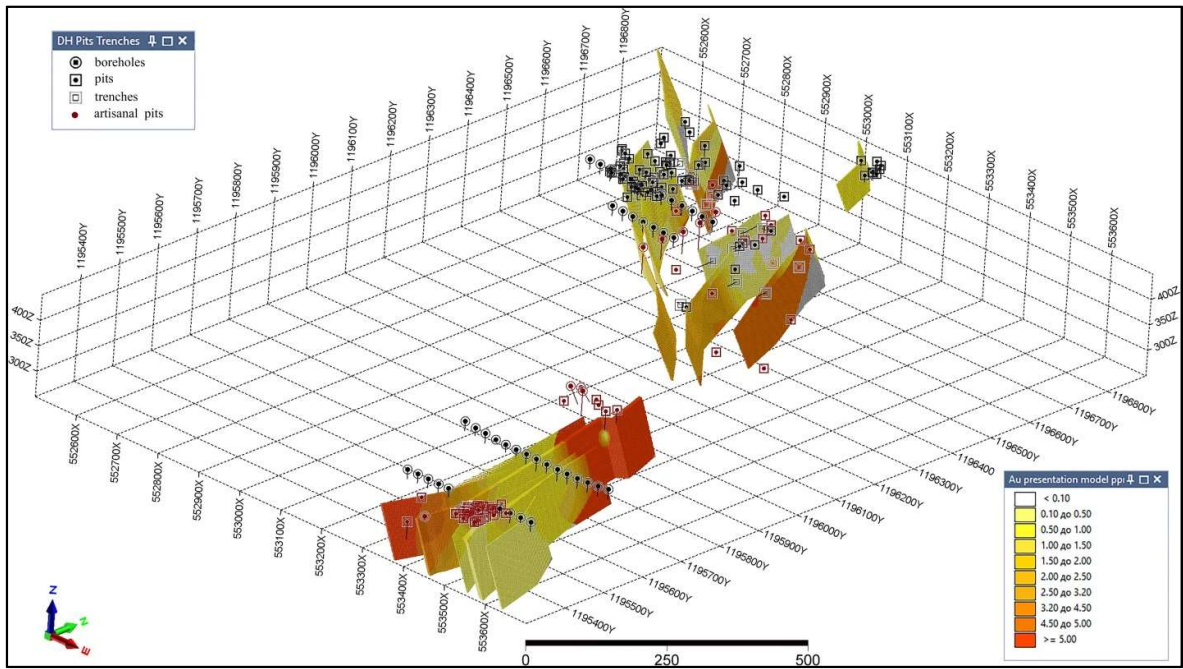


Figure 13 Block model for the Gressifaleni site ore zones (3D-visualization)

The total gold resources of the Nzima deposit are estimated at 552 thousand ounces (17.2 million tons of ore, with average gold grade of 1.94 g/t). Kanguela East resources are estimated at 436 thousand ounces (13.5 million tons of ore, with average gold grade of 2.26 g/t) (Table 4 – Table 7).

With further geological studies of the properties, along and into the depth of the gold vein, additional identified ore zones will increase deposit resources estimates. Based upon results of additional deposit exploration and also data obtained during the mining operations, a more accurate digital model of deposits will be developed with the refinement of resources and the upgrade in the categories of their reliability with the subsequent transfer of resources to reserves.

Table 4 Total estimated gold resources of the Nzima property

Ore type	Resource category	Ore, ton	Au g/t	Au, ton	Au, Koz
In laterites and saprolites	Indicated	1,754,800	2.30	4.1	131
	Inferred	2,096,100	2.00	4.1	131
	Unclassified	3,482,100	2.00	6.9	222
Total		7,332,900	2.05	15.1	484
Nzima 2: Laterites and saprolites redeposited	Inferred	1,522,600	1.4	2.1	68
Grand Total		8,855,500	1.94	17.2	552

Table 5 Nzima deposit probable reserves

Resources	Ore, ton	Au g/t	Au, ton	Au, Koz
Indicated resources	1,754,800	2.3	4.1	131
Considering mining losses and dilution	1,658,286	2.2	3.6	115

Table 6 Total estimated gold resources of the Kanguela East deposit

	Resource Category	Ore tons	Au, g/t	Au, tons	Au, Koz
Gressifalani site					
Laterite redeposited	Inferred	1,140,000	1.40	1.1	36
Primary laterites and saprolites	Inferred	860,000	3.60	3.1	100
	Unclassified	2,108,000	3.18	6.7	215
Primary ones in total		2,968,000	3.30	9.8	315
Total Gressifalani		4,108,000	2.66	10.9	351
Wodokodoni site					
Primary laterites and saprolites	Indicated	466,000	1.20	0.6	18
	Inferred	532,000	1.40	0.7	24
	Unclassified	884,000	1.50	1.3	43
Wodokodoni in total		1,882,000	1.40	2.6	85
Total Kanguela		5,990,000	2.26	13.5	436

Table 7 Kanguela deposit probable reserves

Due	Ore, tonne	Au g/t	Au, tonne	Au, Koz
Indicated resources	694,000	2.3	1.6	51
Considering mining losses and dilution	656,000	2.2	1.44	46

In addition to the above properties, Farafina Gold Group owns exploration rights to two other areas – Faralako North and Paramangui, where geological exploration has been carried out only partially.

Faralako North is located north of the Nzima deposit and may contain the continuation of the ore structures of the deposit.

As a result of orthophotography, subsoil geochemistry, pit and trench sampling, a large ore cluster was identified in the central part of the area, which contains closely approximated artisanal sites. The parameters of gold mineralization are 1m - 0.40g/t, 26m - 0.85g/t, 1m - 43.60g/t, 7m - 4.47g/t, 2m - 62.70g/t (Figure 8).

At this research stage gold resources are estimated at 3.6 t or 116 Koz (Table 8).

Table 8 Estimated gold resources of the Faralako North area

Resource category	Ore, Mt	Au g/t	Au, ton	Au, Koz
Unclassified	1.8	2.00	3.6	116

The Paramangui property is located in the northwestern part of the Sigui gold basin adjacent to substantial gold deposits.

Orthophoto survey, subsoil geochemistry, pit and trench sampling, and drilling were concentrated within the most promising Malea, Felle and Karifa sites (Figure 14). The rest of the area is poorly explored. The best estimates for gold parameters for the assays on the Malea site are: 4.0m - 24.3g/t; 11.0m - 1.4g/t; 7.0m - 2.3g/t.

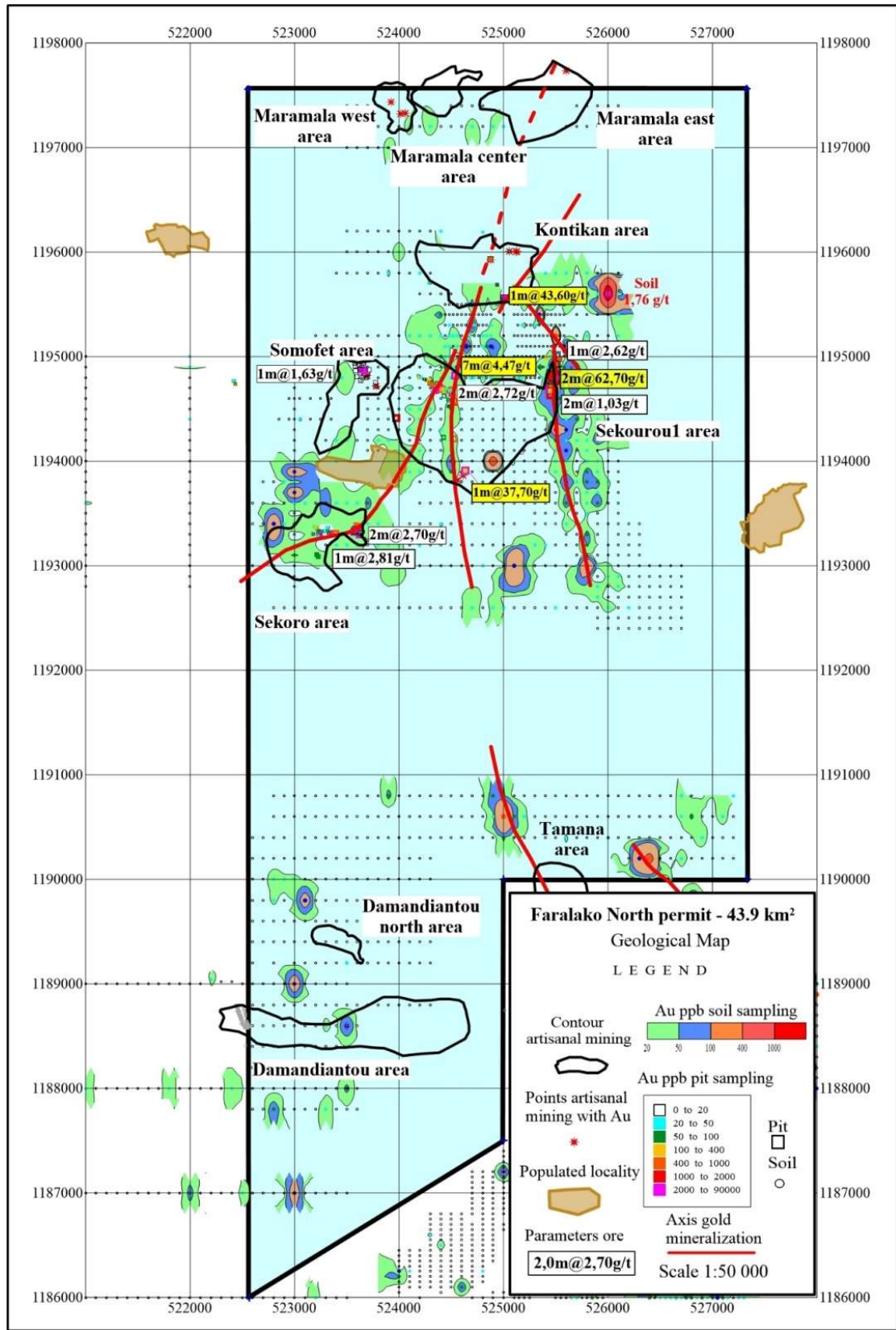


Figure 14 Map of the gold anomalies distribution within Faralako North area

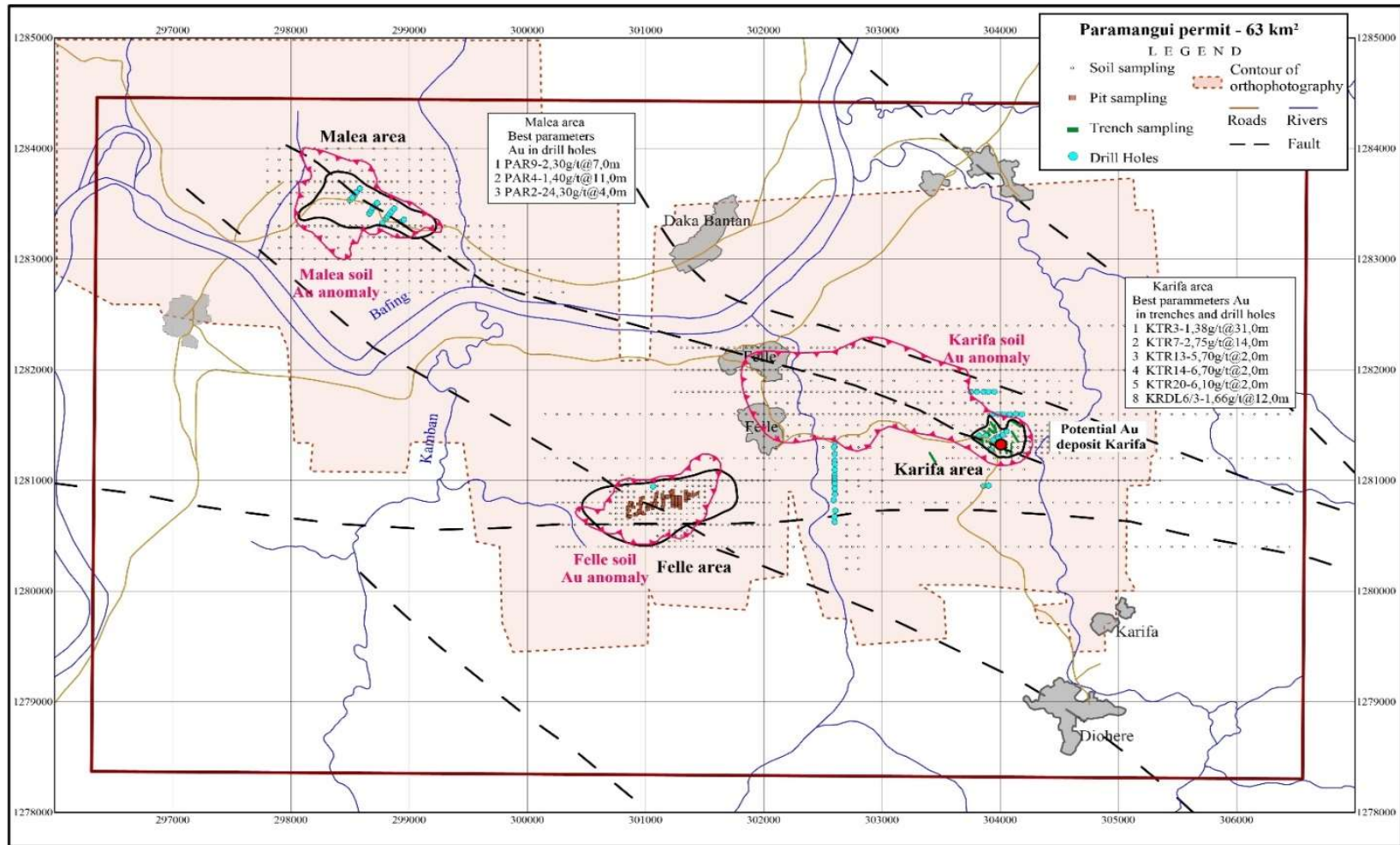


Figure 15 Map of the gold anomalies distribution within Paramangui area.

Gold resources within the studied sites are estimated at 3.9 t 125 Koz (Table 9).

Table 9 Estimated gold resources of the Paramangui area

Resource category	Ore, Mt	Au g/t	Au, ton	Au, Koz
Unclassified	3.0	1.3	3.9	125

With further exploration of the Faralako North and Paramangui licensed areas presumably will result in the increase of gold resources and brings this gold field to mining stage.

The management objective is to certify indicated reserves at no less than 1 million ounces (31 tons) by 2022, with inferred reserves at approximately 3.5 million ounces (130 tons). A portion of the resources and reserves will be qualified as measured.

Mining

Considering the geological structure of the deposit and the distribution of useful components, the FGG management has adopted a synthetic (surface-underground) methodology for mining.

1. For mine ores associated with redeposit laterites and saprolites, open pit mining will be adopted, utilizing a multifunctional drilling machine (Gelecs 200) and mining conveyor equipment. The area of the dumps is estimated at 27 000 m² for the Nzima open pit, about 122 000 m² for the Kanguela East (Table 10).

Table 10 Primary parameters of Nzima and Kanguela East open pits

Parameters	Nzima	Gressifalani (I phase)	Gressifalani	Wodokodoni
Open pit area, ha	6.4	5.8	74.2	2.6
Rock volume, m ³	904,000	610,000	14,840,000	374,000
Mineral volume, m ³	71,250	518,947	12,614,000	296,000
Open pit operating period, including fading, year	4	3	18	2

Ore-bearing gold zones (bodies) are partitioned into mine blocks, excavated by excavators and delivered by dump trucks for processing to the enriching complex.

2. Underground mining requires a sublevel mining system with a short blasthole ore breaking.

Deposit opening will be carried out using nine vertical shafts drilled down to levels of 150-200 m at the Nzima deposit. At the Gressifalani site, the management has provisioned for eight vertical shafts reaching 115-200 m, and at the Wodokodoni property – five shafts to 100-200 m. Further exploration may change the expected depth of the ore mineralization and therefore the required depth of vertical shafts.

Horizontal workings are designed at several levels in accordance with gold ore pay zones. Ore will be extracted through vertical shafts for further processing.

The complex of capital and pre-production mining operations with the development of the deposit and the attainment of projected capacity is projected as follow: for Nzima – from 250 000 to 500 000 tons/year (mine life of 17 years), for Kanguela East – from 250 to 1 976 400 tons/year (mine life of 18 years), with the operating mode of the enterprise 300 days a year – sub-surface mining and 225 days a year – open pit mining.

Production plan and budget

The total required financing required to commence the project is approximately \$10 million. The structure of the projected expenditures is demonstrated in Tables 11 and 12.

In addition, the two highly promising properties of Faralko North and Parangui will be developed in the near future. This would require additional investment of \$10 - \$15 million within the following four years.

The management of the Company projects that the mine workings construction after the first year will be implemented through reinvestment of retained earnings. In this case, the funding required to finance the first stage of the project deployment may be less than originally budgeted.

Table 11 Estimated budget for exploration, mine works, open pit operations FY2019-20

Purpose	Nzima, USD	Kanguela, USD
Equipment for a gold recovery plant (for an open pit), USD	\$ 1 300 000	\$ 500 000
Equipment and machinery for an open pit construction, USD	\$ 1 000 000	\$ 800 000
Equipment for a gold recovery plant (underground mine), USD	\$ 1 200 000	\$ 1 500 000
Equipment and machinery for an underground mine, USD	\$ 400 000	\$ 1 400 000
Cost of additional exploration works prior to launch of mining operations	\$ 1 100 000	\$ 800 000
Total, USD	\$ 5 000 000	\$ 5 000 000

Table 12 Scaled-up estimate of deployment costs for both sites

Purpose	Cost, USD
Infrastructure facilities construction	500 000
Construction of reservoirs, with total volume > 120 000 m³	100 000
Drilling rig (including drilling equipment) for drilling depth up to 500 m	800 000
Operating costs for production facilities start-up, including:	
Payroll	1 600 000
Fuel costs for production facilities construction period and start-up period	1 200 000
Total, USD	4 200 000

In the process of utilization of the property within the parameters of the semi-industrial license the infrastructure facilities, the production facilities and processing of ore were designed to enable the roll-out of additional capacities to be carried out sequentially. In particular, the production and processing of ore will be pointed to each vertical mine trunk (excavation), and only final operational development and intake of alloy of ore will be centralized. This will enable FG to increase the number of mine trunks, and consecutively increase the depths of mine excavations without having to change the structure of production and processing.

Thus, for the indicated period of semi-industrial operation of the site the new geological data significantly increasing gold reserves on the balance of the company will be obtained. The site infrastructure, including tanks of accumulation and storage of water, the tailing dump, the open mine, the group of excavations will be built, and the management information system including the communication system will be created and become operational.

A significant increase in the gold reserves, the completed network of extracting excavations, and the developed infrastructure of the enterprise will enable FGG to transition in the shortest possible timeframe from a semi-industrial license a production license.

In the course of the initial 2 years, the expected production from all the underground pits will reach 150 tons of ore from the underground mines and 2,000 tons of ore from the open pits. Based on the gold grade assessments presented above, management expects to extract more than 800 kg of gold per annum.

In the course of 3 to 4 years, production from the Nzima and Kanguela properties should double and reach up to 1.5 ton per year.

Human resources

From skilled workers to professionals and recent graduates, Farafina strives to attract, develop, motivate and retain talented personnel. This goal is accomplished by offering employees exciting and fulfilling projects that best match their talents and ambitions.

Table 13 FGG employee schedule

Type of employee	Nzima 9 vertical shaft & open pit	Kanguela 14 vertical shaft & open pit
Engineering and technical personnel	21	43
Underground mining	342	500
Processing complex	198	312
Open pit	16	32
The extraction complex for an open pit	20	44
Refining	4	8
Transportation department	9	18
Repair department	30	60
Total employees	640	1,017

To accommodate its expansion plans, FGG will introduce training and development programs for its staff so as to improve the professional qualifications of its employees. The Company will also bring in outside consultants to induce knowledge transfer.

FGG plans to launch a professional training center based on the Company's production facilities.

The training center curriculum will include:

- language courses, to simplify communication between employees and to allow local residents to learn using the Company's educational resources;
- driving courses;
- drilling foreman assistants' training courses;
- occupational safety courses;

- electrical engineering courses;
- mechanical engineering courses;
- mining courses;
- driller operation courses;
- lab operations courses;
- concentration plant operations courses;
- junior management training.

Financial statements

FGG is an exploration-level company, therefore only the balance sheet is enclosed for financial reporting periods ending in December 2018 and 2017. Full accounting statements, including significant accounting policies and notes, can be found online here: <http://www.farafina.biz/home/legal/financial-information/balances>

PERIOD ENDING 31/12/2018 CONSOLIDATED BALANCE SHEET		
Assets	2018	2017
Current Assets		
Cash and cash equivalents	557,093	506,818
Exploration assets	5,286,501	5,286,501
Reserve capital	17,833	
Total Current Assets	5,861,427	5,793,319
Fixed (Long-Term) Assets		
Property and equipment	1,653,300	1,553,300
(Less accumulated depreciation)	(15,242)	
Mineral reserves and royalty interests	48,980,000	48,980,000
Goodwill		
Total Fixed Assets	50,608,512	50,523,754
Total Assets	56,469,939	56,317,073
Liabilities and Shareholders' Equity		
Current Liabilities		
Advances from joint venture partners		
Accounts payable and accrued liabilities	3,682,117	3,676,117
Bonds	97,500	
Current portion of long-term debt		
Total Current Liabilities	3,779,617	3,676,117
Long-Term Liabilities		
Shareholder loan	186,750	
Total Long-Term Liabilities	186,750	-
Shareholders Equity		
Share equity	5,498,405	4,998,405
Profit attributed proved Reserves	48,980,000	48,980,000
Retained earnings	(1,974,834)	(1,337,449)
Other		
Total shareholders equity	52,503,571	52,640,956
Total Liabilities and Owner's Equity	56,469,939	56,317,073

Company valuation

The valuation of gold mining companies is driven by two primary metrics:

- the level and quality of its gold resources and reserves;
- discounted cash flows.

As gold carries a negative discount rate, for FGG equity valuation purposes, future cash flows will be denominated in gold equivalents and therefore not discounted. This practice will allow the management and investors to better estimate the free cash flows derived from gold production and sales over the lifespan of the project.

By definition, such estimates are always approximate and subject to basis and market risks. Our forecast models were built with maximum conservatism and comply with best-of-breed valuation practices for companies operating in frontier markets.

Therefore, the appraisal of the FGG gold reserves was based on only 3.5% of the current spot gold price. (In practice once mining operations are commenced, the valuation of the company may be tied to the earnings generated by the business before interest, taxes, depreciation and amortization).

Following the commencement of the production phase, free cash flow margin (defined as free cash flow divided by sales) is expected to comprise 15-18% of sales, net of taxes and duties. Table 1 breaks down the approximate cost structure.

Production of one ton of gold per annum is projected to generate net income of approximately \$6 million at current prices. Production of three tons will increase net income to approximately \$20 million. Based on management estimates, projected future cash flows with a ten-year horizon yield a valuation of approximately \$200 million, which correlates perfectly with the reserves-based model.

In the base case scenario, the expected increase in the market capitalization of FGG within a three-to-four year timeframe (the time it will take to roll out the mining infrastructure and complete exploration) will surpass 450%. The projections are based on assumptions of total required investment of \$50 million. Early-round investors can expect to earn a much better return on their investment.

Following the initial financing round, production will be launched on the first site within four to five months. The FGG share price will appreciate noticeably as soon as production goes live on the first site. Additional upside to the price of FGG shares may materialize over the course of the following twenty-four to thirty-six months as production capacity is brought online, new mineral reserves are discovered, and the reserve categorization is upgraded.

The extent and pace of further appreciation to the value of FGG equity will be contingent on the commencement of production on the second licensing site and cannot be forecasted at present.

Risk Factors

Investing in the Company's Shares is very risky. You should be able to bear a complete loss of your investment. You should carefully consider the following factors, among others.

Development Stage Business

Farafina Gold Group member companies commenced operations in 2012 under the laws of the Republic of Guinea. Accordingly, the Company has only a limited history upon which an evaluation of its prospects and future performance can be made. The Company's proposed operations are subject to all business risks associated with new enterprises, and multiple additional risks associated with operations in a frontier market such as Guinea. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry. There is a possibility that the Company could sustain losses in the future. There can be no assurances that Farafina Gold Group will ever operate profitably.

Political Risks

All of the Company's current operations are presently conducted in the Republic of Guinea and as such are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labor unrest, renegotiation or nullification of existing licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political action cannot be predicted and may adversely affect the Company. Changes, if any, in any mining or investment policies or shifts in political attitudes in the Republic of Guinea may adversely affect the Company's business, results of operations and financial conditions. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in a loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Regulatory Risks

Current and future laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Regulations and standards are subject to constant revision and could be substantially tightened, which

could have a serious impact on the Company and its ability to develop its properties economically. Before it commences mining a property, the Company must obtain permits and the approval of the regulatory authorities. There is no assurance that these permits and approvals will be obtained, or that they will be obtained in a timely manner. The cost of complying with government regulations may also impact the viability of an operation or altogether prevent the economic development of a property.

Exploration Risks

Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. Other risks related to exploration and mining activities include unusual or unforeseen formations, fire, power failures, labor disputes, flooding, explosions, cave-ins, landslides and shortages of adequate or appropriate manpower, machinery or equipment. The development of a resource property is subject to many factors, including the cost of mining, variations in the quality of the material mined, fluctuations in the commodity and currency markets, the cost of processing equipment, and others, such as aboriginal claims, government regulations including regulations regarding royalties, authorized production, import and export of natural resources and environmental protection. Depending on the price of the natural resources produced, the Company may decide not to undertake or continue commercial production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of gold. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Feasibility Risks

The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body.

The Company based its assumptions and estimates on parameters available. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company.

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's financial position and results, in the following way:

- evaluation assets, mine properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows
- charges in the statement of profit or loss and other comprehensive income may change where such charges are determined
- financial position as either part of mine properties or inventory or charged to profit or loss may change due to changes in stripping ratios

- affect expectations about when such activities will occur and the associated cost of these activities
- judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

Consequently, management will form a view of forecast sales prices based on current and long-term historical average price trends. For example, if current prices remain above long-term historical averages for an extended period of time, management may assume that lower prices will prevail in the future. As a result, those lower prices would be used to estimate ore reserves and mineral resources. Lower price assumptions generally result in lower estimates of reserves. As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of ore reserves and mineral resources may change.

Inadequacy of Funds

Development of the Company's properties depends on its ability to raise the additional funds required. There can be no assurance that the Company will succeed in obtaining the funding required. The Company also has limited experience in developing resource properties, and its ability to do so depends on the use of appropriately skilled personnel or signature of agreements with other large resource companies that can provide the required expertise.

Commodity Prices

The factors that influence the market value of gold and any other mineral discovered are outside the Company's control. Resource prices can fluctuate widely, and have done so in recent years. The impact of these factors cannot be accurately predicted.

Dependence on Management

In the early stages of development, the Company's business will be significantly dependent on the Company's management team. The Company's success will be particularly dependent upon Ilya Karas, Chairman of the Board and founder of Farafina Gold Group. The development of the Company is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other mining companies.

Risks of Borrowing

If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of owners of Common Stock of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

Unanticipated Obstacles to Execution of the Business Plan

The Company's business plans may change significantly. Many of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

Management Discretion as to Use of Proceeds

The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its shareholders in order to address changed circumstances or opportunities. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of Management with respect to application and allocation of the net proceeds of this Offering. Investors for the Common Stock offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

Control By Management

As of February 1, 2019 (start date of offering), the Company's officers and directors owned approximately 100% of the Company's outstanding shares. Upon completion of this Offering, the Company's officers and directors will own approximately 50% of then issued and outstanding shares, and will be able to elect all of the directors and continue to control Farafina. Investors will own a minority percentage of the Company's Common Stock and will have minority voting rights. Investors will not have the ability to control either a vote of the Company's Shareholders or Board of Directors. See "PRINCIPAL SHAREHOLDERS"

Dividend Policy

The Company intends to retain any initial future earnings to fund operations and expand the Company's business. A holder of Common Stock will be entitled to receive dividends only when, as, and if declared by the Board of Directors out of funds legally available therefore. The Company's Board of Directors will determine future dividend policy based upon the Company's results of operations, financial condition, capital requirements, and other circumstances. See "DESCRIPTION OF SECURITIES - COMMON STOCK - DIVIDEND POLICY."

Limited Transferability and Liquidity

To satisfy the requirements of certain exemptions from registration under the Securities Act, and to conform with applicable state securities laws, each investor must acquire his Shares for investment purposes only and not with a view towards distribution. Consequently, certain conditions of securities acts may need to be satisfied prior to any sale, transfer, or other disposition of the Shares. Some of these conditions may include a minimum holding period, availability of certain reports, including audited financial

statements from Farafina Gold Group S.A., limitations on the percentage of Shares sold and the manner in which they are sold. Farafina Gold Group S.A. can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to the Company, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Shares and no market is expected to develop. Consequently, owners of the Shares may have to hold their investment indefinitely and may not be able to liquidate their investments in Farafina Gold Group S.A. or pledge them as collateral for a loan in the event of an emergency.

Long Term Nature of Investment

An investment in the Shares may be long term and illiquid. As discussed above, the offer and sale of the Shares will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration which depends in part on the investment intent of the investors. Prospective investors will be required to represent in writing that they are purchasing the Shares for their own account for long-term investment and not with a view towards resale or distribution. Accordingly, purchasers of Shares must be willing and able to bear the economic risk of their investment for an indefinite period of time. It is likely that investors will not be able to liquidate their investment in the event of an emergency.

No Current Market For Shares

There is no current market for the Shares offered in this private Offering and no market is expected to develop in the near future.

Compliance with Securities Laws

The Shares are being offered for sale in reliance upon certain exemptions from the registration requirements of the Republic of Guinea securities laws, United States Securities Act, applicable foreign securities laws, and other applicable state securities laws. If the sale of Shares were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of Shares. If a number of purchasers were to obtain rescission, Farafina Gold Group S.A. would face significant financial demands which could adversely affect Farafina Gold Group S.A. as a whole, as well as any non-rescinding purchasers.

Offering Price

The price of the Shares offered has been arbitrarily established by Farafina Gold Group S.A., considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The Offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to Farafina Gold Group S.A.

Lack of Firm Underwriter

The Shares are offered on a "best efforts" basis by the officers and directors of Farafina Gold Group S.A. without compensation and on a "best efforts" basis through certain broker-dealers which enter into Participating Broker-Dealer Agreements with the

Company. Accordingly, there is no assurance that the Company, or any broker-dealer, will sell the maximum Shares offered or any lesser amount.

Projections: Forward Looking Information

Management has prepared projections regarding Farafina Gold Group's anticipated financial performance. The Company's projections are hypothetical and based upon the historical financial performance of the Company, its estimates of gold resources and reserves, and other factors influencing the business of Farafina Gold Group S.A. The projections are based on Management's best estimate of the probable results of operations of the Company, based on present circumstances, and have not been reviewed by Company's independent accountants. These projections are based on several assumptions, set forth therein, which Management believes are reasonable. Some assumptions upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond Management's control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the entry into Farafina Gold Group S.A.'s market of additional competitors, the terms and conditions of future capitalization, and other risks inherent to the Company's business. While Management believes that the projections accurately reflect possible future results of Company Name's operations, those results cannot be guaranteed.

Subscription Agreement

You have informed the undersigned (the “Purchaser”) that Farafina Gold Group (the “Company”) wishes to raise the equivalent of 244,000 grams of gold (approximately 10 million US Dollars at current prices) from various persons by selling up to 244,000 shares of the Company’s Common Stock, (the “Shares”), at a price of 1 gram of gold per Share.

I have received, read, and understand the Limited Offering Memorandum dated February 1, 2019 (the “Memorandum”). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Shares (the “Share Documents”). I understand that you will rely on the following information to confirm that I am an “Accredited Investor, or one of 35 Non-Accredited Investors that will be allowed to purchase Shares in this Offering (subject to Company approval), and that I am qualified to be a Purchaser.

This Subscription Agreement is one of a number of such subscriptions for Shares. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Shares set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Shares allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I qualify within one of the following categories:

Please Check The Appropriate Category

_____ \$1,000,000 Net Worth.

A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000.

_____ \$200,000/\$300,000 Income.

A natural person who had an individual income in excess of \$200,000 (including contributions to qualified employee benefit plans) or joint income with such person’s spouse in excess of \$300,000 per year in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

_____ Director or Officer of Issuer.

Any director or executive officer of the Company

_____ All Equity Owners In Entity Are Accredited.

An entity, (i.e. corporation, partnership, trust, pension plan, etc.) in which all of the equity owners are Accredited Investors as defined herein.

_____ Corporation.

A corporation not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of \$5,000,000.

_____ Other Accredited Investor.

_____ One of 35 Non-Accredited Investors that may be allowed to invest in the offering

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Shares, (ii) can bear the economic risk of losing the entire amount of my investment in Shares, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Shares is consistent, in both nature and amount, with my overall investment program and financial condition.

(a) The address set forth below is my true and correct residence, and I have no intention of becoming a resident of any other jurisdiction.

(b) I have not utilized the services of a “Purchaser Representative” because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

(d) I have received and read, and am familiar with the Share Documents, including the Memorandum and the forms of certificate for Shares. All documents, records and books pertaining to the Company and the Shares requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had the opportunity to ask questions of and receive answers from the Company’s officers and representatives concerning the Company’s affairs generally and the terms and conditions of my proposed investment in the Shares.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company’s long-term needs.

(g) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Shares based solely upon my own investigation and evaluation.

(h) I understand that no Shares have been registered under any nation’s Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions.

(i) The Shares for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Shares to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Shares by anyone but me.

(j) I am aware of the following:

(i) The Shares are a speculative investment which involves a high degree of risk; and

(ii) My investment in the Shares is not readily transferable; it may not be possible for me to liquidate my investment.

(iii) The financial statements of the Company have merely been compiled, and have not been reviewed or audited.

(iv) There are substantial restrictions on the transferability of the Shares; and

(v) No federal or state agency has made any finding or determination as to the fairness of the Shares for public investment nor any recommendation or endorsement of the Shares;

(k) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:

(i) The appropriate or exact length of time that I will be required to hold the Shares;

(ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Shares; or

(iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Shares;

(iv) The amount of dividends or distributions that the Company will make;

(l) I have not distributed the Memorandum to anyone, no other person has used the Memorandum, and I have made no copies of the Memorandum; and

(m) I hereby agree to indemnify and hold harmless the Company, its officers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorneys fees, incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) The disposition of any of the Shares by me which is contrary to the foregoing declarations, representations, and warranties; and

(iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Shares.

(n) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

3. Transferability. I understand that I may sell or otherwise transfer my Shares without restriction, unless my country's legislation places a restriction on the sale or transfer of my shares.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Shares to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

5. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

6. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

7. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the British Common Law.

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

8. Ownership Information. Please print here the total number of Shares to be purchased, and the exact name(s) in which the Shares will be registered.

Total Shares: _____

Name(s): _____

- _____ Single Person
- _____ Husband and Wife, as community property
- _____ Joint Tenants (with right of survivorship)
- _____ Tenants in Common
- _____ A Married Person as separate property
- _____ Corporation or other organization
- _____ A Partnership
- _____ Trust
- _____ Other (please describe: _____)

- _____ Retirement Plan
 - (i) Trustee(s)/ Custodian _____
 - (ii) Trust Date _____
 - (iii) Name of Trust _____
 - (iv) For the Benefit of _____

Other: _____
(please explain)

Passport#: _____

Residence Address:

_____ Street Address

_____ City, State Country Zip

Mailing Address: (Complete only if different from residence)

_____ Street Address (If P.O.Box, include address for surface delivery if different than residence)

_____ City, State Country Zip

Phone Numbers

Home: (_____) _____

Business: (_____) _____

E-mail: _____

9. Date and Signatures.

Dated _____, 2019.

Signatures

Purchaser Name (Print)

(Each co-owner or joint owner must sign - Names must be signed exactly as listed under
"Purchaser Name")

ACCEPTED:

Farafina Gold Group, S.A.

By: _____
Ousmane Tunkara
Director General (CEO)

Dated: _____, 2019

Purchaser's Initials

Investor Suitability Questionnaire

To: Prospective purchasers of Shares of Common Stock (the “Shares”) offered by Farafina Gold Group S.A. (the “Company”).

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an “Accredited Investor,” and otherwise meet the suitability criteria established by the Company for purchasing Shares. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Shares.

Please answer all questions completely and execute the signature page

A. Personal

1. Name: _____
2. Address of Principal Residence: _____
_____ Country: _____
3. Residence Telephone: (_____) _____
4. Where are you registered to vote? _____
5. Your passport is issued by the following country: _____
6. Other Residences or Contacts: Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a passport or have any other contacts, and describe your connection with such state:

7. Please send all correspondence to:
 - (1) _____ Residence Address (as set forth in item A-2)
 - (2) _____ Business Address (as set forth in item B-1)
8. Date of Birth: _____
9. Citizenship: _____

10. Social Security or Tax I.D. #: _____

B. Occupations and Income

1. Occupation: _____

(a) Business Address: _____

(b) Business Telephone Number: (_____) _____

2. Gross income during each of the last two years exceeded:

(1) _____ \$25,000 (2) _____ \$50,000

(3) _____ \$100,000 (4) _____ \$200,000

3. Joint gross income with spouse during each of the last two years exceeded \$300,000

(1) _____ Yes (2) _____ No

4. Estimated gross income during current year exceeds:

(1) _____ \$25,000 (2) _____ \$50,000

(3) _____ \$100,000 (4) _____ \$200,000

5. Estimated joint gross income with spouse during current year exceeds \$300,000

(1) _____ Yes (2) _____ No

C. Net Worth

1. Current net worth or joint net worth with spouse (note that “net worth” includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____ \$50,000-\$100,000 (2) _____ \$100,000-\$250,000 (3) _____ \$250,000-\$500,000

(4) _____ \$500,000-\$750,000 (5) _____ \$750,000-\$1,000,000 (6) _____ over \$1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1) _____ Yes (2) _____ No

D. Affiliation with the Company

Are you a director or executive officer of the Company?

(1) _____ Yes (2) _____ No

E. Investment Percentage of Net Worth

If you expect to invest at least \$150,000 in Shares, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse.

(1) _____ Yes (2) _____ No

F. Consistent Investment Strategy

Is this investment consistent with your overall investment strategy?

(1) _____ Yes (2) _____ No

G. Prospective Investor's Representations

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

Prospective Investor:

Signature

Date: _____, 2019

Signature (of joint purchase if purchase is to be made as joint tenants or as tenants in common)