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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.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

New Issue

December 11, 2023

AMERICAN FUTURE FUEL CORPORATION (the “Company” or “American Future Fuel”)



SUBSCRIPTION PRICE: \$0.27 Per Unit

SUMMARY OF OFFERING

What are we offering?

Offering: Up to 11,111,111 units at a price of \$0.27 (the “**Units**”), provided that the Company has granted the Agent (as defined below) an option to increase the number of Units offered for sale by 15% to 12,777,777 Units (the “**Agents’ Option**”). Each Unit consists of one common share (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant is exercisable into one Common Share (a “**Warrant Share**”) at a price of \$0.42 per Warrant Share for a period of thirty-six (36) months following the date of issue (the “**Offering**”).

Offering Price: \$0.27 per Unit.

Offering Amount: Up to 11,111,111 units, for gross proceeds of \$3,000,000, provided that the Company may increase the amount offered to \$3,450,000 upon exercise of the Agents’ Option.

Closing Date: The Offering is expected to close on or about December 28, 2023 (the “**Closing Date**”), or such earlier or later date that the Company may determine.

Exchange: The Common Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**AMPS**”, the OTCQB trading platform in the United States under the trading symbol “**AFFCF**” and the Frankfurt Stock Exchange under the symbol “**K14**”.

Last Closing Price: On December 8, 2023, the closing price of the Common Shares on the CSE was \$0.32.

Agent Red Cloud Securities Inc. (the “**Agent**”) is the sole agent and sole bookrunner for the Offering, on a “best-efforts” basis.

Description of Common Shares

Each Common Share carries the right to attend and vote at all general meetings of shareholders of the Company. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company’s board of directors at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Description of Warrants

Each Warrant will entitle the holder thereof to acquire one additional Common Share at an exercise price of \$0.42 per Common Share for a period of thirty-six (36) months from the date of issue.

The Warrants will be governed by the terms and conditions set out in the certificate representing the Warrants (the “**Warrant Certificates**”) delivered to each holder at the closing of the Offering. The Warrant Certificates will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events.

No fractional Warrants Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Certificate. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

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

- **American Future Fuel has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **American Future Fuel 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 \$5,000,000.**
- **American Future Fuel will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **American Future Fuel 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 NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains information which may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information involves statements that are not based on historical information, but rather relate to future operations, strategies, financial results or other developments. Forward-looking information is necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond American Future Fuel’s control and many of which are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking information made by or on American Future Fuel’s behalf. Although American Future Fuel has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors should be considered carefully and investors should not place undue reliance on American Future Fuel’s forward- looking information as actual results may vary. Examples of such forward-looking information within this Offering Document include: expected use of proceeds of the Offering; completion and timing of the Offering; obtaining all of the required stock exchange and other approvals in connection with the Offering; American Future Fuel’s expected future losses and accumulated deficit levels; American Future Fuel’s dependence on management; American Future Fuel’s plans in respect of development and operations; the Company’s risks associated with economic conditions; the anticipated size of the market for the American Future Fuel’s products and services; American Future Fuel’s competitors and its anticipated market position; American Future Fuel’s expected treatment of conflicts of interest; the effects of improving American Future Fuel’s available working capital; and competition. Forward-looking information is made based on management’s beliefs, estimates and opinions and is given only as of the date of this Offering Document. American Future Fuel undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

Forward-looking information reflects the Company’s current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which the Company operates. Forward-looking information is not a guarantee of future performance and involves risks, uncertainties and assumptions, which are difficult to predict. Assumptions underlying the Company’s expectations regarding forward-looking statements or information contained in this Offering Document include, among others: that American Future Fuel will obtain all necessary consents and approvals for the completion of the Offering on a timely basis; the Company’s ability to generate revenue, success with the American Future Fuel’s strategies and achieving its business objectives, American Future Fuel’s ability to raise sufficient funds from equity or other financings in the future to support its operations. The foregoing list of assumptions is not exhaustive.

Persons reading this Offering Document are cautioned that forward-looking information is only a prediction, and that American Future Fuel’s actual future results or performance are subject to certain risks and uncertainties including:

- that American Future Fuel does not receive all necessary approvals resulting in termination of the Offering;
- the extent of future losses;
- the ability to obtain the capital required to fund development and operations;
- the ability to capitalize on changes to the marketplace;
- the ability to comply with applicable governmental regulations and standards;
- the ability to attract and retain skilled and experienced personnel;

- the impact of changes in the business strategies and development priorities of strategic partners;
- stock market volatility; and
- other risks detailed from time-to-time in the Company's ongoing quarterly and annual filings with applicable securities regulators, under American Future Fuel's SEDAR+ profile at www.sedarplus.ca. This list is not exhaustive of the factors that may affect any of forward-looking statements or information of American Future Fuel. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, American Future Fuel does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of American Future Fuel or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Although American Future Fuel believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to future results, approvals or achievements. The forward-looking statements contained in this Offering Document are expressly qualified by this cautionary statement.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

American Future Fuel is engaged in the exploration and development of mineral resource projects, currently focusing on projects in New Mexico, U.S.A. American Future Fuel's material property is the Cebolleta uranium property (the "**Cebolleta Property**") in Cibola County, New Mexico. American Future Fuel has two wholly-owned subsidiaries, Elephant Capital Corp. ("**Elephant**") and 1344726 B.C. Ltd.

Cebolleta Property

The Cebolleta Property is located in the northeastern corner of Cibola County in west central New Mexico, approximately 75 kilometers west of the city of Albuquerque, New Mexico. The Cebolleta Property encompasses 6,717 acres of mineral rights and approximately 5,700 acres of surface rights owned by La Merced del Pueblo de Cebolleta (the "**Cebolleta Land Grant**"). Three tracts of land make up the Cebolleta Property and include the "South L Bar Tract" (1,917 acres) and the "St. Anthony Tracts" (4,800 acres).

Recent developments

There are no material recent developments in respect of American Future Fuel that have not been disclosed in this Offering Document or in any other document by American Future Fuel in the 12 months preceding the date of this Offering Document.

Notably, certain recent developments include:

Share Purchase Agreement

The Cebolleta Property is held under a lease agreement (the "**Cebolleta Lease**") between the Cebolleta Land Grant and Neutron Energy Inc. ("**NEI**"), a subsidiary of Encore Energy Corp ("**Encore**"). The Cebolleta Lease was affirmed by the New Mexico District Court in April 2007 and provides NEI with the right to explore, mine and process uranium deposits present on the Cebolleta Property and includes surface use and access rights. On August 27, 2021, Elephant entered into a share purchase agreement (the "**Share Purchase Agreement**") with Encore, NEI and Cibola Resources LLC ("**Cibola**"). Under the terms of the

Share Purchase Agreement, Elephant agreed to purchase all of the issued and outstanding shares of Cibola held by NEI, which includes the Cebolleta Property held under the Cebolleta Lease.

Acquisition of Cibola Resources LLC

On May 20, 2022, Elephant completed the acquisition of Cibola, pursuant to the Share Purchase Agreement to attain rights to the Cebolleta Property. In consideration for all the issued and outstanding shares of Cibola, Elephant issued (i) 11,308,250 common shares; and (ii) paid US\$250,000 cash.

Reverse Takeover by Elephant Capital Corp.

On May 24, 2022, American Future Fuel completed the acquisition of all issued and outstanding shares of Elephant by way of reverse takeover transaction (the “**Acquisition**”). As a result of the Acquisition, American Future Fuel issued 56,541,251 Common Shares to shareholders of Elephant and Elephant became a wholly-owned subsidiary of American Future Fuel for legal purposes.

Acquisition of 1344726 B.C. Ltd.

On September 27, 2022, American Future Fuel completed the acquisition of 1344725 B.C. Ltd., whose wholly-owned subsidiary, 1344726 Nevada Ltd., holds the rights to a series of four-hundred (400) mineral claims located in Catron and McKinley counties in the state of New Mexico.

Chief Executive Officer

On April 23, 2023, American Future Fuel announced that Luke Montaine resigned from his position as Chief Executive Officer. David Suda, a finance professional with more than 15 years of capital markets experience, assumed the responsibilities of Chief Executive Officer and director effective the same date.

Change in Directors

On September 25, 2023, American Future Fuel announced the resignation of Mr. Patrick Morris from the board of directors and appointment of Michael Henrichsen as a new member of the Company’s board of directors. Mr. Henrichsen brings his extensive expertise as a structural geologist to the Company.

On September 28, 2023, American Future Fuel announced the resignation of Mr. Stephen Goodman from the board of directors.

Cebolleta Property Drilling Update

On August 25, 2023, American Future Fuel announced that the New Mexico Mining and Minerals Division had issued the Company its first drilling permit at its Cebolleta Property.

On September 22, 2023, American Future Fuel announced radiometric assay results from the first completed confirmation drill hole at the Cebolleta Property with results encouraging as radiometric equivalent U_3O_8 grade (% e U_3O_8) values for this first confirmation (twin) hole closely matched historical data from near the same location.

On November 22, 2023, American Future Fuel announced completion of its Phase 1 drilling at its Cebolleta Property. The Phase 1 drill program consisted of 26 drill holes averaging 112 meters deep for a total of 2,904 meters. As part of the confirmation program, the Company is also evaluating the radiometric equilibrium of uranium mineralization using chemical assays of core samples to compare with radiometric

results. Sohio Western Mining Company completed extensive equilibrium studies at the Cebolleta Property and determined there was a consistent trend of chemical assays exceeding radiometric assays.

Material facts

There are no material facts about the 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.

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

The business objectives the Company expects to accomplish using the net proceeds of the Offering, together with existing cash and cash equivalents, are to fund the cash consideration required for the advancement of the Company's Cebolleta Property in New Mexico, and for general working capital purposes. In order to achieve these objectives, the Company must complete the Offering.

USE OF AVAILABLE FUNDS

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

The expected total funds available to American Future Fuel following completion of the Offering, assuming it is fully subscribed, is estimated to be approximately \$3,770,000, and \$4,168,500, assuming exercise of the Agents' Option in full.

	Assuming 100% of the Offering ⁽¹⁾	Assuming Exercise of Agents' Option
A Amount to be raised by this Offering	\$3,000,000	\$3,450,000
B Selling commissions and fees ⁽²⁾	\$210,000	\$241,500
C Estimated offering costs (e.g., legal, accounting, audit)	\$60,000	\$80,000
D Net proceeds of Offering: D = A - (B+C)	\$2,730,000	\$3,128,500
E Working capital as at most recent month end (deficiency)	\$1,040,000	\$1,040,000
F Additional sources of funding	Nil	Nil
G Total available funds: G = D+E+F	\$3,770,000	\$4,168,500

Notes:

- (1) There is no minimum offering amount.
- (2) American Future Fuel will pay to the Agent a cash commission of 7.0% of the aggregate gross proceeds of the Offering, other than in respect of proceeds from the sale of Units to certain "president's list" purchasers (the "**President's List**"), for which a 3.0% cash commission will be payable. Amount set out assumes no purchasers from the President's List. Actual amounts may be lower.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of the Offering ⁽¹⁾	Assuming Exercise of Agents' Option ⁽¹⁾
Expenditures associated with the advancement of the Ceboletta Property	\$2,100,000	\$2,300,000
General and Administrative Expenses ⁽²⁾	\$1,300,000	\$1,400,000
Unallocated Working Capital	\$370,000	\$468,500
Total: Equal to G in the available funds in item 8	\$3,770,000	\$4,168,500

Notes:

- (1) In the event that the Offering is not fully subscribed, these amounts will be reduced accordingly based on available funds.
- (2) Comprised of management fees, office expenses regulatory filing fees, audit expenses, transfer agent, legal counsel and accounting and bookkeeping services.

The above noted allocation of capital and anticipated timing represents American Future Fuel's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although American Future Fuel intends to spend the proceeds from the Offering as set forth above, there may be circumstances such as where the Offering is not fully subscribed in which case 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 American Future Fuel's ability to execute on its business plan. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

The most recent audited annual financial statements and interim financial report of the Company included a going concern note. The Offering is intended to permit the Company to continue to achieve its business objectives, and is not expected to affect the decision to include a going concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

American Future Fuel has not raised other funds in the past 12 months.

FEES AND COMMISSIONS

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

Agents:	Red Cloud Securities Inc. has been engaged as the sole agent and bookrunner for the Offering, on a "best-efforts" basis.
Compensation Type:	Cash fee and broker warrants.
Cash Commission:	American Future Fuel will pay to the Agent a cash commission of 7.0% of the aggregate gross proceeds of the Offering, other than for sales to purchasers under the President's List, for which a 3.0% cash commission will be payable.
Broker Warrants:	American Future Fuel will also issue to the Agent non-transferable broker warrants (the " Broker Warrants ") equal to 7.0% of the number of Units sold under the Offering, other than Units sold under the President's List,

for which Broker Warrants equal to 3.0% of the number of Units sold to purchasers under the President's List will be issued.

Do the Agents have a conflict of interest?

To the knowledge of the American Future Fuel, it is not a "related issuer" or "connected issuer" of or to the Agents, as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- (a) **to rescind your purchase of these securities with American Future Fuel, or**
- (b) **to damages against American Future Fuel 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 securities.

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 adviser.

ADDITIONAL INFORMATION

Where you can find more information about us

Security holders can access American Future Fuel's continuous disclosure filings on SEDAR+ at **Error! Hyperlink reference not valid.** and may find additional information on our website at www.americanfuturefuel.com.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Units.

CERTIFICATE OF THE COMPANY

December 11, 2023

This Offering Document, together with any document filed under Canadian securities legislation on or after December 11, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

"David Suda"

David Suda
Chief Executive Officer

"Geoff Balderson"

Geoff Balderson
Chief Financial Officer