
Release: Immediate

GFG Discovers New Gold Zone with 21.26 g/t Gold over 1.7 Metres at Pen Gold Project West of Timmins, ON

Highlights:

- Discovered new gold zone along the Porcupine-Destor Fault Zone (“PDFZ”) at the Crawford target in hole PEN-18-016 grading **21.26 grams of gold per tonne (“g/t Au”)** **over 1.7 metres (“m”)**, making it a priority target for additional work in 2019;
- High-grade intercept at the HGM target of **9.20 g/t Au over 0.9 m** in hole PEN-18-013 which is located 400 m east of the Crawford target;
- At the Nib-Yellowknife target, PEN-18-017: **0.89 g/t Au over 7.0 m** successfully intercepted multiple zones of mineralization with visible gold present, making it a priority target in future drill programs; and
- The 4,000 m Phase 1 2019 drill program at the Pen Gold Project is on-going with two drill rigs testing high priority targets in the Reeves, Slate Rock, Jehann and Deerfoot regions.

April 3, 2019, Saskatoon, Saskatchewan, Canada: GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) (“GFG” or the “Company”) is pleased to announce assay results for the remaining 12 drill holes and the discovery of a new gold zone (See Table 1) from its inaugural 2018 drill program at its 100% owned Pen Gold Project located 40 kilometres west of the prolific Timmins Gold District in Ontario, Canada. The new gold discovery was made at the Crawford target from hole PEN-18-016 which intersected **21.26 g/t Au over 1.7 m** at 100 m depth. The new mineralized zone is located 500 m west of the HGM occurrence in the Deerfoot regional target (See Figures 3 and 4).

The 2018 drill program consisted of 19 drill holes (4,744 m) ranging in depth from 150 to 500 m (See Table 1 and link to news release dated January 17, 2019, [“GFG Drills 33.77 g/t Gold over 1.05 Metres at Pen Gold Project West of Timmins, ON”](#)). The program was designed to test six targets distributed across a 20-kilometre segment in the eastern portion of the Pen Gold Project (See Figures 1-5). These targets were generated from the integration of historic and new data sets from the Company’s 2018 exploration program. Based on these results, follow-up drilling is warranted on the Crawford, Nib-Yellowknife and Sewell targets.

Brian Skanderbeg, President and CEO commented, “We are very pleased with our discovery at Crawford and the high success rate of intercepting high-grade gold mineralization in the inaugural drill program at the Pen Gold Project. The fact that we encountered a new gold zone and other numerous high-grade intercepts clearly demonstrates the potential that exists in this underexplored land package. Based on these results and those from our regional till sampling program, we strongly believe that we will continue to outline additional gold systems and demonstrate that this area of the Abitibi represents an exciting new region to make gold discoveries.”

Table 1: Results from the remaining 12 holes drilled in 2018 at the Pen Gold Project

| Hole ID | From (m) | To (m) | Length (m) | Au (g/t) | Comments | Target |
|--|--|--|--|--|----------|-------------------|
| PEN-18-007 | No significant assays | | | | | Deerfoot Regional |
| PEN-18-008 | No significant assays | | | | | Deerfoot Regional |
| PEN-18-009 and and | 125.4 134.9 232.2 | 127.1 135.8 233.2 | 1.7 1.0 1.0 | 0.70 1.04 1.18 | | Deerfoot Regional |
| PEN-18-010 | 111.3 | 112.2 | 0.9 | 0.92 | | Sewell |
| PEN-18-011 | 83.2 | 83.7 | 0.5 | 0.96 | | Crawford |
| PEN-18-012 | 108.4 | 110.7 | 2.3 | 0.85 | | Crawford |
| PEN-18-013 and and | 136.3 151.1 178.6 | 137.3 152.0 179.5 | 1.0 1.0 0.9 | 0.73 0.60 9.20 | | HGM |
| PEN-18-014 | No significant assays | | | | | HGM |
| PEN-18-016 and incl and | 118.0 138.4 138.4 143.0 | 119.0 140.0 139.2 144.2 | 1.0 1.7 0.9 1.2 | 0.80 21.26 39.70 1.20 | | Crawford |
| PEN-18-017 and and | 65.4 157.2 250.5 | 68.0 159.0 257.5 | 2.6 1.8 7.0 | 0.55 0.63 0.89 | | Nib-Yellowknife |
| PEN-18-018 | No significant assays | | | | | Nib-Yellowknife |
| PEN-18-019 and and and and | 62.3 103.0 189.5 230.0 437.2 | 63.0 104.0 191.0 231.0 437.7 | 0.7 1.0 1.5 1.0 0.5 | 0.68 0.85 0.84 0.83 0.51 | | Nib-Yellowknife |

*Gold intervals reported in the above table are at 0.5 g/t cut-off and included intervals at 3.0 g/t cut-off. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 80-100% of drilled thickness.

Select Drill Results Commentary

PEN-18-013 targeted the westward extension of the HGM occurrence within the central portion of the Deerfoot region where historic drilling returned **43.00 g/t Au over 1.5 m**. The step-out hole returned **9.20 g/t Au over 0.9 m** in altered, deformed and sulphidized mafic volcanics at a depth of 80 m below surface (See Figure 4). This intercept confirms that the mineralized zone at HGM is open to the west at shallow depths. Re-logging of drill core from several historic holes is underway to provide a better understanding of the controls on gold mineralization at this prospect and to guide future drilling in the area.

PEN-18-016 targeted the continuation of the same deformation zone as PEN-18-013, 500 m to the west of the HGM prospect, where interpretation of IP resistivity and airborne magnetic data suggested increased lithologic and structural complexity. At 138.4 m down the hole, a zone of intense deformation and silica-sericite alteration was intersected on the contact between felsic porphyry and mafic volcanic stratigraphy (See Figures 3 and 4). This quartz-veined and sulphide-rich interval contained visible gold and returned **21.26 g/t Au over 1.7 m** including **39.70 g/t Au**

over 0.9 m ([Click here to view core photo](#)). In addition to gold mineralization, this interval was elevated in silver, bismuth, tellurium and zinc. A second zone of gold mineralization returned 1.20 g/t Au over 1.2 m from 143.0 m downhole. These intercepts mark a new discovery (Crawford) along a prospective segment of the PDFZ where limited historic drilling has been conducted. The Company plans to follow-up on this discovery with additional drilling in 2019.

The mineralized intercepts from Crawford and HGM are approximately two kilometres southwest of the Sewell prospect where the Company recently intersected high-grade gold mineralization of **33.77 g/t Au over 1.1 m, including 63.88 g/t Au over 0.6 m and 3.57 g/t Au over 5.6 m, including 7.44 g/t Au over 1.9 m; 4.20 g/t Au over 1.0 m and 14.70 g/t Au over 0.8 m**. Within this gap between these targets there has been a limited amount of historic exploration due to extensive till cover. Through modern exploration techniques the Company believes this area to be highly prospective for gold mineralization and has outlined several priority targets to test in the Phase 2 2019 program (See Figure 2).

PEN-18-017 targeted the northeastern extension of shear veins exposed at the Nib-Yellowknife target within the Reeves region where historic grab samples returned up to 37.60 g/t Au in altered and quartz-veined diorite. Three distinct zones of alteration and deformation were encountered; two of which contained visible gold in quartz veins cutting carbonate-altered diorite. The lowermost zone, intersected from 250 m down the hole, contained up to 15% arsenopyrite and pyrrhotite and 20% quartz vein material, returned **0.89 g/t Au over 7.0 m** (See Figure 6). In addition to gold, this interval was elevated in tungsten. While only low-grade gold mineralization was intersected, the occurrence of visible gold confirms the prospectivity of this deformation zone along the western margin of the Reeves ultramafic complex and follow-up drilling will be completed in this area.

Outlook

The Company is progressing well with its 4,000 m Phase 1 drill program with two drill rigs focused on highly prospective targets in the Reeves, Slate Rock, Deerfoot and Jehann regions (See link to news release dated February 27, 2019, ["GFG Begins Drilling and Outlines 2019 Exploration Program at its Pen Gold Project West of Timmins, Ontario"](#)). The Phase 1 drill program is anticipated to be completed in April with assay results expected to be announced in Q2 2019. Over the next six months, the Company will conduct additional regional till sampling, ground geophysics, prospecting and mapping on its 475-square-kilometre Pen Gold Project. The Phase 2 2019 drill program of approximately 4,000 m is planned to begin in the second half of 2019.

At the Rattlesnake Hills Gold Project in Wyoming, U.S., the Company is working with its JV partner, Newcrest Mining Ltd., on re-modeling the district and deposit-scale geological and geophysical data, to drive both deep and greenfield drill targeting. As part of this process, the Company is currently applying Corescan technology to historic deep drill holes and innovative machine-learning technology to constrain geochemical and mineralogical vectors related to gold mineralization to further refine deep drill targets. The Company plans to provide a detailed summary of the 2019 exploration activities in Q2 with an aggressive drill program anticipated to begin in early Q3 2019.

Figure 1: [Pen Gold Project Drill Targets](#)

Figure 2: [Deerfoot and Sewell Target Map](#)

Figure 3: [Crawford and HGM Plan Map](#)

Figure 4: [Crawford Cross Section](#)

Figure 5: [Nib-Yellowknife Plan Map](#)

Figure 6: [Hole PEN-18-016 Core Photo](#)

Qualified Persons

Brian Skanderbeg, P.Geo. and M.Sc., President and CEO, is the Qualified Person for the information contained in this press release and is a Qualified Person within the meaning of National Instrument 43-101. Mr. Skanderbeg has reviewed the sampling and QA/QC procedures and results thereof as verification of the sampling data disclosed above and has approved the information contained in this news release.

Sampling and Quality Control

Surface grab and drill core samples are being analyzed by Bureau Veritas Commodities Canada Ltd. Preparation of a 1-kilogram pulp and gold assay of a 50-gram aliquot by Pb collection fire assay with an Atomic Absorption Spectrometry finish (Package FA450) are being done in Timmins, Ontario. Samples assaying above 5 ppm Au are being routinely re-run using gravimetric finish (Package FA550). Mineralized zones containing visible gold will also be analyzed by screen metallic fire assay. Multi-element analysis for 59 other elements using a four-acid digestion and an ICP-MS finish (Package MA250) is being done in Vancouver, British Columbia. Quality control and assurance measures include the monitoring of results for inserted certified reference materials, coarse blanks and preparation duplicates of drill core.

Sampling protocols, quality control and assurance measures and geochemical results related to historic rock grab, and drill core samples quoted in this news release have not been verified by the Qualified Person and therefore must be regarded as estimates.

About GFG Resources Inc.

GFG Resources is a North American precious metals exploration company focused on district scale gold projects in tier one mining jurisdictions, Ontario and Wyoming. In Ontario, the Company owns 100% of the Pen and Dore gold projects, two large and highly prospective gold properties west of the prolific gold district of Timmins, Ontario, Canada. The Pen and the Dore gold projects have the same geological setting that hosts most of the gold deposits found in the Timmins Gold Camp which have produced over 70 million ounces of gold. In Wyoming, the Company has partnered with Newcrest Mining Ltd. through an option and earn-in agreement to advance the Rattlesnake Hills Gold Project. The geologic setting, alteration and mineralization seen in the Rattlesnake Hills are similar to other gold deposits of the Rocky Mountain alkaline province which, collectively, have produced over 50 million ounces of gold.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained in this news release constitute "forward-looking information" within the meaning of applicable Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (referred to herein as "forward-looking statements"). Forward-looking statements include, but are not limited to, the future price of gold, success of exploration activities and metallurgical test work, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of exploration work, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results, "may", "could", "would", "will", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

All forward-looking statements are based on various assumptions, including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour, and that the political environment within Canada and the United States will continue to support the development of mining projects in Canada and the United States. In addition, the similarity or proximity of other gold deposits to the Rattlesnake Hill Gold Project, the Pen Gold Project and the Dore Gold Project is not necessary indicative of the geological setting, alteration and mineralization of the Rattlesnake Hills Gold Project, the Pen Gold Project and the Dore Gold Project.

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

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

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

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