

Release: Immediate

GFG Announces Drill Results from the Rattlesnake Hills Gold Project in Wyoming, US

January 16, 2020, Saskatoon, Saskatchewan, Canada: GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) (“GFG” or the “Company”), report assay results from the 2019 drill program at the Rattlesnake Hills Gold Project (“RSH” or the “Project”) in Wyoming, United States that is managed by GFG under the option and earn-in agreement with Newcrest Resources Inc., a wholly-owned subsidiary of Newcrest Mining Limited (ASX: NCM) (“Newcrest”). The drill program, consisting of 3,900 metres of core drilling in three holes, tested multiple gold targets proximal to the North Stock deposit (See Table 1 and Figures 1 and 2).

Brian Skanderbeg, President and CEO commented, “The 2019 drill program intercepted broad gold intervals associated with shallow extensions to the RSH gold system, extending the North Stock system to the west and southeast. This initial test of the North Deep and South Deep targets outlined encouraging and widespread alteration, brecciation, sulphidation and multiple porphyry bodies; however, results from this test returned relatively low gold grades.

Working with a high-caliber Newcrest team over the past 16-months has strengthened our exploration model and understanding of the district. Over the next few months, we will work on developing a plan to advance and prioritize the many drill-ready brownfield and greenfield targets across the property that remain to be tested.

While we plan our next steps at RSH, we anticipate being in a position to announce the remaining assay results from our Pen Gold Project and will begin our 4,000 metre drill program in the coming weeks.”

Drill Results Commentary

The 2019 drill program consisted of 3,900 metres of core drilling from three holes testing the South Deep and North Deep targets as well as strike extensions to North Stock and Antelope Basin deposits (See Figures 1 and 2). The deep targets were developed to test for potential feeder zones to the gold mineralization at the North Stock diatreme-hosted deposit while passing through prospective extensions of shallower mineralization.

RSC-194 tested four distinct targets, namely the strike extension of the Antelope Basin deposit, the Cowboy Target, the South Deep Target and the North Deep Target (See Figure 1 and 2).

The upper portion of the hole hosted 0.55 grams of gold per tonne (“g/t Au”) over 57.7 metres in altered schist cut by quartz monzodiorite dykes including a sub-interval of 0.99 g/t Au over 19.8 metres (See Table 1). The dyke is strongly fractured, clay-altered and hosts carbonate stockwork veining and the schist is weakly sericitized and cut by quartz veins and carbonate stockwork veining. This intercept extends mineralization previously intercepted at the Cowboy Target significantly southward and sub-parallel to the Antelope Basin deposit (See Figures 1 and 2; “[*GFG Resources Drills 0.82 g/t Gold over 99.1 Metres & Provides Summary of 2017 Drill Program at Rattlesnake Hills Gold Project*](#)”). The hole intersected a second quartz monzodiorite from 832 metres to 977 metres depth that is interpreted as the northern strike and down-dip extension of the Antelope Basin system. This dyke is fractured, clay- and sericite-altered, variably sulphidized and

hosts carbonate veinlets. Anomalous gold grades of up to 0.24 g/t Au were returned from narrow sections of this interval.

Further downhole, the hole tested the South Deep target, a down-dip extension of the mineralized zone seen in historic drill hole RSC-027 that hosted 2.47 g/t Au over 22.9 metres associated with multiple strong, sub-vertical, resistivity gradients and numerous mineralized feldspar porphyry dykes. The hole intersected the South Deep Target from 1,122 metres to 1,338 metres, returning zones of weakly to moderately altered schist and heterolithic breccia cut by carbonate- and potassic-altered feldspar porphyry dykes that host pyrite and attain thicknesses of up to 13 metres. Peak gold grades of up to 0.44 g/t Au were intersected within a porphyry dyked and brecciated interval that graded 0.14 g/t Au over 25.9 metres.

Near the base of the drill hole, the North Deep Target was tested as the hole passed through the Precambrian/Tertiary contact around 1,692 metres. It intersected broad zones of intensely fractured, fluorite-bearing, pyritic, potassic- and carbonate-altered heterolithic breccia. The bottom 26 metres of the hole hosted a feldspar porphyry with strong potassic alteration, cut by abundant pyrite and magnetite veining. Despite the encouraging geological setting, no significant gold grades were returned from this interval.

RSC-195 was drilled to test the North Deep Target down-dip of gold mineralization associated with the North Stock deposit.

The hole passed through broad zones of heterolithic breccia and phonolite before passing into monolithic schist breccia cut by phonolite and feldspar porphyry dykes and finally terminating in schist at 1,081 metres depth (See Figure 2). Logging indicates an increasing intensity of potassic and clay alteration as well as increasing amounts of sulfide and iron oxide with depth in the phonolite and feldspar porphyry units. Multiple low-grade gold intervals were returned over narrow intervals including 0.16 g/t over 6.1 metres, 0.22 g/t over 6.1 metres and 0.15 g/t over 7.2 metres from 122.5, 505.4 and 906.0 metres, respectively.

RSC-196 was drilled to test the western extent of the North Deep Target; approximately 200 metres west of RSC-195.

The hole passed through a broad interval of altered, heterolithic breccia before passing into intercalated heterolithic breccia and phonolite from 484 through 825 metres; bottoming in potassic- and carbonate-altered phonolite through to the base of the hole at 1,010 metres (See Figure 2). As with RSC-195, the intensity of potassic alteration is strongest near the phonolite and increases with depth, along with iron oxide veining and fracture intensity. A significant zone of gold mineralization was intercepted from 19.2 through 132.0 metres depth returning 0.25 g/t Au over 112.8 metres. This interval of heterolithic breccia is fractured, strongly stained with iron oxides and hosts moderate potassic and clay alteration. Further downhole, several narrow intervals returned 0.10 to 0.44 g/t Au including 0.33 g/t Au over 7.6 metres from 758.7 metres hosted in heterolithic breccia and phonolite.

Based on geological review, 3D modelling and CSAMT data, holes RSC-195 and RSC-196 are interpreted to have either remained in the diatreme throughout their length or to have passed from the North Stock diatreme through its north contact into the Precambrian schists, and only partially testing the North Deep target. The majority of gold mineralization associated with the North Stock deposit is related to the southern contact of the diatreme and this contact remains to be tested at depth.

Outlook

GFG will continue to work with its project partner Newcrest over the coming months to evaluate and prioritize the next steps to advance the Project. As per the Option and Earn-in Agreement (see news release: [“GFG Signs Option and Earn-In Agreement with Newcrest to Advance the Rattlesnake Hills Gold Project”](#)) Newcrest has met its obligations of the Option Phase and in March of 2020, can elect to exercise its option to earn-in. If Newcrest elects to advance to Stage 1, it will make a cash payment to GFG of US\$500,000 and will have the right to earn 49% of the Project over a four-year period by spending an additional US\$14.0 million, less any excess amount spent in the Option Phase, with a minimum annual exploration expenditure of US\$1.0 million.

At the Company’s Pen Gold Project, the Company expects to receive the remaining assay results from the 2019 Phase 2 drill program in the coming weeks and begin its winter drill program of approximately 4,000 metres. The drill program will be focused on follow-up drilling at the Slate Rock, HGM, Crawford and Nib prospects and other regional targets.

Table 1: Highlighted Assay Results from the 2019 Drill Program at the Rattlesnake Hills Gold Project

Hole ID	From (m)	To (m)	Au (g/t)	Length (m)	Cut Off (g/t)
RSC-194	122.7	180.4	0.55	57.7	0.2
includes	125.6	129.1	1.33	3.5	0.5
includes	154.5	174.4	0.99	19.8	0.5
and	1179.0	1204.9	0.14	25.9	0.2
RSC-195	122.5	128.6	0.16	6.1	0.1
and	505.4	511.5	0.22	6.1	0.1
includes	505.4	508.4	0.35	3.1	0.2
and	906.0	913.2	0.15	7.2	0.1
RSC-196	19.2	132.0	0.25	112.8	0.2
includes	22.2	31.4	0.36	9.2	0.5
includes	63.4	68.0	0.71	4.6	0.5
and	213.1	217.6	0.26	4.6	0.2
and	758.7	766.3	0.33	7.6	0.2

*Gold intervals reported in the above table are reported at a minimum 3 metre width and a 0.1, 0.2 or 0.5 g/t Au cut-off. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 50-100% of drilled thicknesses.

Figure 1: [Drill Targets in Plan View Map](#)

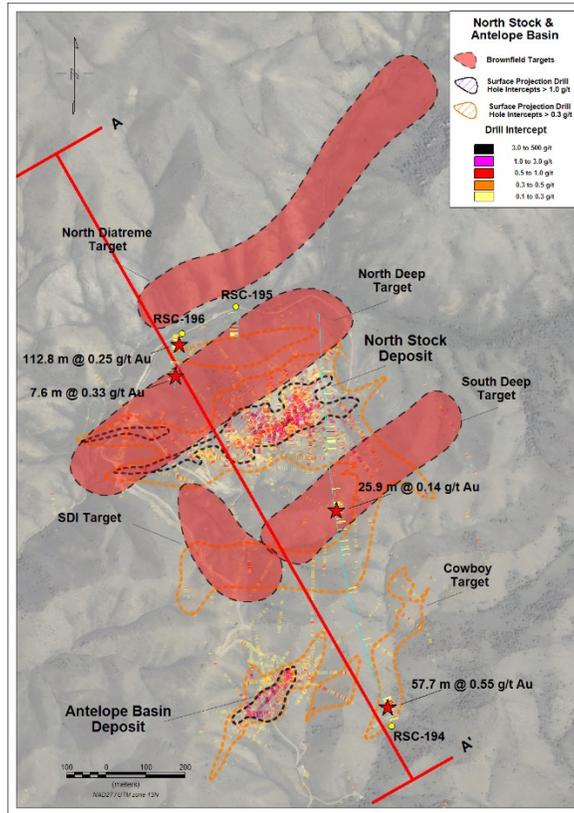
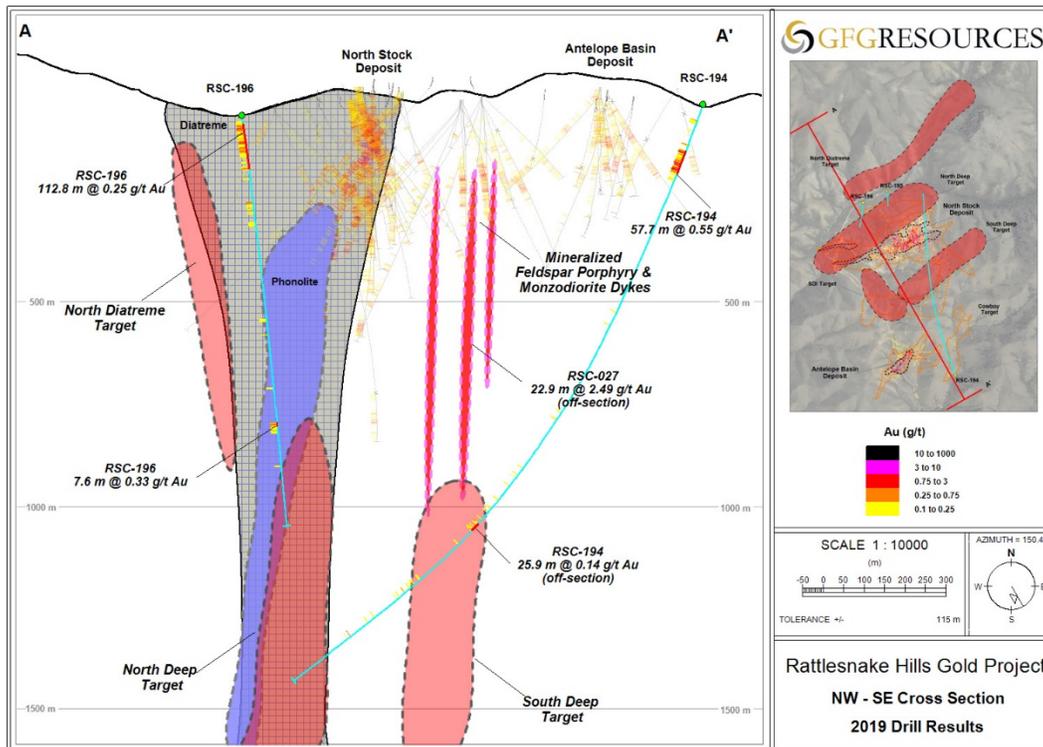


Figure 2: [North-South Cross Section Map of Drill Targets](#)



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.

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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.

Quality Assurance and Quality Control

The quality assurance and quality control measures utilized by Evolving Gold Corp. in respect of the historical drilling data disclosed above included the following: drill hole intervals were weighted averages with each assay interval weighted according to the core length. Rigorous quality assurance and quality control procedures were implemented including routine insertion of internal standard reference materials, certified reference materials, blank material and duplicate samples from both crush and pulp material. Gold assays were completed by SGS Canada Inc. in Toronto, using a 30-gram charge, fire assay, with an ICP finish. SGS Canada laboratory in Toronto is ISO accredited. GFG Resources follows similar measures for reporting drill assays and insertion of blanks and standards. Gold assays for GFG are performed by Bureau Veritas using a 30g Fire Assay with an AAS finish.

Gold intervals reported in this news release are based on a minimum 3 metre width and a 0.1, 0.2 or 0.5 g/t Au cutoff. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 50-100% of drilled thicknesses.

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

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.