

NEWS RELEASE

# GFG Announces Final Drill Results and Initiates Expanded 2020 Exploration Program at Pen Gold Project West of Timmins, ON

6/18/2020

Key Points:

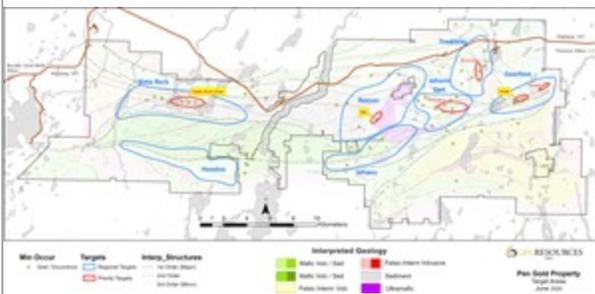


Figure 1: Plan Map of Regional Targets on the Pen Gold Project

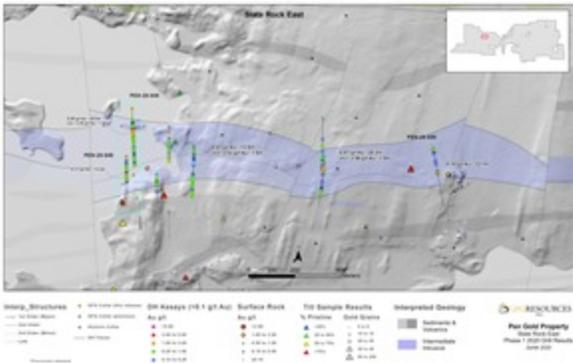


Figure 2: Plan Map of Slate Rock East

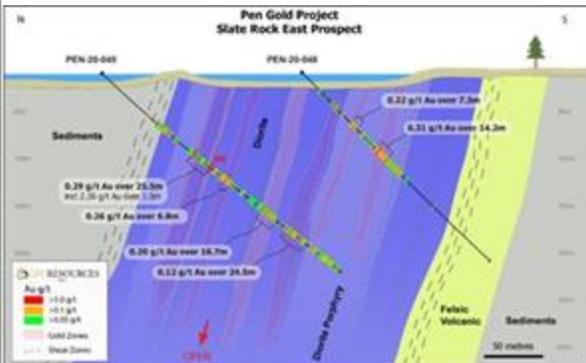


Figure 3: Slate Rock East Prospect Cross Section

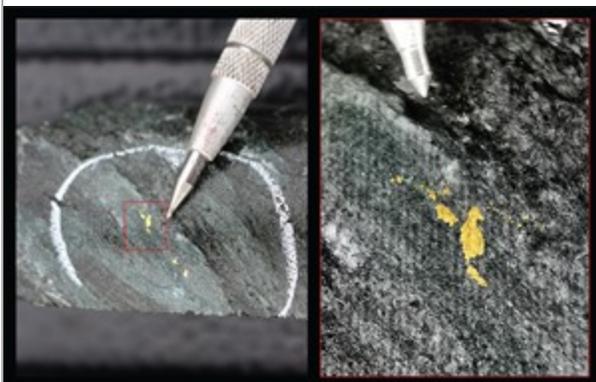


Figure 4: PEN-20-049 Core Photo with Coarse Visible Gold

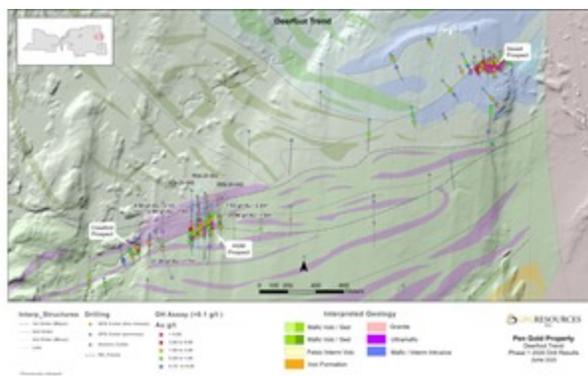


Figure 5: Plan Map of Deerfoot Corridor (HGM Prospect)

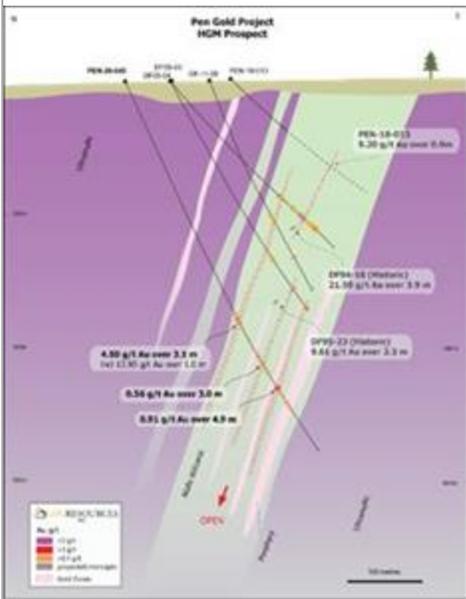
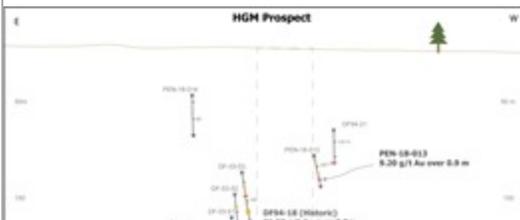


Figure 6: HGM Prospect Cross Section



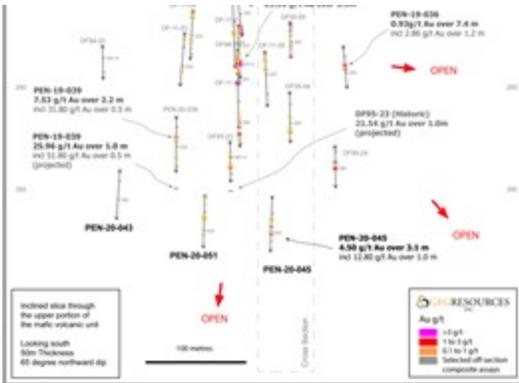


Figure 7: HGM Prospect Longitudinal Map

- Successful Phase 1 2020 drill program that included:
  - A new gold discovery at the Nib Prospect of 71.27 grams of gold per tonne over 8.5 metres (previously disclosed on April 6, 2020).
  - Intercepted significant visible gold and broad zones of low-grade gold mineralization at Slate Rock target in hole PEN-20-049.
  - Extended the HGM Prospect down to 500 m depth intercepting up to 12.80 g/t Au over 1.0 m.
- Doubled 2020 exploration budget and plan to complete 8,500 m of drilling starting in July with a primary focus at the Nib discovery.
- Initiated extensive geophysical and geochemical programs to advance regional targets to drill-ready status with an objective of making new discoveries.
- Strong cash position of approximately C\$7.1 million and welcomed Alamos Gold Inc. as a strategic investor.

SASKATOON, Saskatchewan, June 18, 2020 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") reports assay results for the six remaining holes from the 3,300 m, Phase 1 2020 drill program. In addition, the Company announces a significantly expanded 2020 exploration program at its 100% owned Pen Gold Project (the "Project") located 40 kilometres west of the prolific Timmins Gold District in Ontario,

Canada.

“The results from our Phase 1 drill program were significant. We made a high-grade gold discovery at Nib, intercepted significant visible gold and broad zones of gold mineralization at Slate Rock and expanded the mineralized system at HGM,” stated Brian Skanderbeg, President and CEO of GFG. “Following a successful financing in May, which included welcoming Alamos Gold Inc. as a strategic investor, we are in a position to outline a more aggressive exploration program for the second half of 2020. Beginning in July, we will resume drilling at the Project with a primary focus on the Nib discovery and will test other highly prospective regional targets. The revised exploration program will be our largest drill campaign to date and we are confident that we will continue to demonstrate the potential that exists across our 480 square kilometre land package located in one of the richest gold districts in the world.”

#### 2020 Phase 1 Drill Program Results

During the first quarter of 2020, the Company completed an eight-hole (3,300 m) Phase 1 drill program testing targets at the Nib, HGM and Slate Rock East prospects (See Table 1 and Figures 1-5). The Company previously reported results from two drill holes (See news release dated **April 6, 2020**) that included a new gold discovery at the Nib Prospect (PEN-20-47:71.27 g/t Au over 8.5 m, including 511.00 g/t Au over 1.15 m). The remaining results from the Phase 1 program at the Slate Rock and HGM Prospects are provided below.

#### Slate Rock

The Slate Rock region hosts an underexplored and highly prospective mineralized system that is centered on a dioritic intrusive complex that extends for over four kilometres in the largely overburden- and lake-covered northwest part of the Project (See Figures 1-2).

Broadly spaced drilling at Slate Rock East returned multiple, wide intervals of low-grade gold mineralization in variably deformed diorite and porphyritic diorite that are associated with quartz-carbonate veins and veinlets, moderate to intense quartz-albite-sericite-carbonate alteration and disseminated and veinlet pyrite (See Figures 2-4).

Despite the low gold grades encountered at Slate Rock to-date, the target remains a high priority for further drilling due to scarcity of drilling, the potential for high-grade mineralization as exemplified from boulder samples and the presence of coarse visible gold in drill core (See Figure 4).

PEN-20-048 targeted the southern contact of the intrusive complex with felsic volcanics, intersected two zones of mineralization within a porphyritic diorite unit internal to the complex that returned 0.22 g/t Au over 7.3 m and 0.31 g/t Au over 14.2 m at 74.5 and 114.4 m down-hole, respectively.

PEN-20-049 was designed to test modelled structures internal to the complex evident in airborne magnetic data and intersected four broad zones of mineralization. The most significant interval returned 0.29 g/t Au over 25.5 m at 127.5 m down-hole. This intercept included 2.36 g/t Au over 1.0 m and 1.38 g/t Au over 1.0 m with the presence of coarse visible gold within a sheared, biotite-rich interval (See Figure 4). This is the first documented case of visible gold at Slate Rock and its relationship to a previously unrecognized shear zone provides valuable information to vector towards higher grade gold mineralization.

## HGM

The HGM Prospect is in the eastern portion of the Project along the Deerfoot deformation zone. Drill testing for depth extension at HGM continued to intersect multiple zones of gold mineralization and can now be traced to a depth of 500 m below surface (See Figures 5-7). The mineralized zones occur within a central mafic volcanic unit that is bounded by dominantly ultramafic bodies. The high-grade nature of the mineralization at HGM has been confirmed with historical intercepts of 7.53 g/t Au over 2.2 m and 25.96 g/t Au over 1.0 m in hole PEN-19-039 and 21.54 g/t Au over 3.9 m in hole DF94-18.

PEN-20-043 was designed to test for an eastward plunge to the gold zones and encountered the target mafic volcanic unit and intersected two zones of gold mineralization. The first zone, occurring in an intensely quartz-sericite altered felsic dike, returned 0.31 g/t Au over 13.4 m at 329.9 m down-hole. The second zone returned 1.31 g/t Au over 1.2 m in a sulphidized, quartz-carbonate altered and intensely deformed mafic volcanics at 449.1 m down-hole.

PEN-20-045 tested for a westward plunge to the gold zones 150 m from PEN-20-043 and encountered three zones of gold mineralization within the target mafic volcanic unit. The first zone, occurring near the hanging-wall contact with the northern ultramafic body, returned 4.50 g/t Au over 3.1 m and included 12.80 g/t Au over 1.0 m. This zone consists of intensely deformed and quartz-carbonate altered mafic volcanic with stockwork quartz-carbonate veinlets and 3-5% disseminated and veinlet pyrite and an altered felsic dike. The second zone occurs within similar altered mafic volcanic rocks and returned 0.56 g/t Au over 3.0 m and 0.91 g/t Au over 4.9 m. The third zone occurs in intensely deformed mafic volcanics at the southern, or lower, contact with a felsic dike similar to the upper zone.

PEN-20-051 was designed to test the gap between holes PEN-20-043 and PEN-20-045, intersected three zones of mineralization. The upper two zones occur with deformed and altered mafic volcanics and returned 0.37 g/t Au over 3.0 m and 1.89 g/t Au over 1.0 m. The third zone occurs in an intensely quartz-sericite altered felsic dike with quartz stockwork veining and 3-5% disseminated pyrite.

This association of gold mineralization with felsic dikes observed in PEN-20-45 and PEN-20-051 is not typical of HGM mineralization at shallower depths but does occur 400 m to the west at the Crawford Prospect indicating it is an important characteristic of gold mineralization in this segment of the Deerfoot deformation zone. Drill hole data is

currently being reviewed to prioritize drill targets along this trend which has demonstrated its prospectivity for high-grade gold mineralization.

#### 2020 Exploration and Drill Programs

Following the new discovery at the Nib target in April and strong cash position of approximately C\$7.1 million, the Company has doubled its 2020 exploration budget for the Pen Gold Project to approximately C\$4.0 million. The revised exploration program and budget will focus largely on drilling, a contrast from previous exploration campaigns since acquiring the land package in 2018.

The expanded 2020 exploration program will include approximately 8,500 m of drilling that is anticipated to begin in July and to be completed in December. The majority of the drill program will focus on testing for extensions to the Nib discovery and proximal targets that are in similar geological settings. The drill program will also include follow-up drilling along the Deerfoot corridor and testing new targets such as Broadway and Boundary (See Figure 1).

In addition to the drill program, the Company has initiated several field-based programs that include drone magnetic surveys, IP, till sampling, prospecting and mapping with the objective to advance regional targets to a drill-ready stage.

Table 1: Results from the 2020 Phase 1 Drill Program at the Pen Gold Project

Hole ID	From (m)	To (m)	Length (m)	Au g/t	Target
PEN-20-043	329.9	343.3	13.4	0.31	HGM
and	449.1	450.3	1.2	1.31	
PEN-20-045	401.3	404.4	3.1	4.50	
incl.	403.4	404.4	1.0	12.80	
and	472.7	475.7	3.0	0.56	
and	513.1	518.0	4.9	0.91	
PEN-20-051	387.5	390.5	3.0	0.37	
and	422.7	423.7	1.0	1.89	
and	484.4	495.0	10.6	0.21	
PEN-20-048	74.5	81.8	7.3	0.22	
and	114.4	128.5	14.2	0.31	
PEN-20-049	127.5	153.0	25.5	0.29	
incl.	129.0	130.0	1.0	2.36	
incl.	151.5	153.0	1.5	1.38	
and	172.0	178.8	6.8	0.26	
and	224.6	241.3	16.7	0.20	
and	256.5	281.0	24.5	0.12	
PEN-20-050	151.0	158.8	7.8	0.49	
PEN-20-0461	no significant assays				
PEN-20-0471	52.0	60.5	8.5	71.27	Nib
incl.	56.4	59.5	3.2	191.78	
incl.	56.4	57.5	1.2	511.00	
and	70.0	75.0	5.0	1.01	
incl.	73.0	74.0	1.0	2.06	
and	82.0	83.0	1.0	0.98	
and	94.6	95.6	1.0	1.55	
and	204.1	211.1	7.0	0.90	
incl.	205.1	206.1	1.0	2.37	
and	232.6	233.6	4.0	0.73	

and incl.	309.9 309.9	313.0 310.9	3.1 1.0	1.11 2.27
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\*Gold intervals reported in the above table are at 0.2 and 1.0 g/t cut-offs. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 70-90% of drilled thickness.

(1) Previously reported composites at the Nib Prospect.

**Figure 1: Plan Map of Regional Targets on the Pen Gold Project**

**Figure 2: Plan Map of Slate Rock East**

**Figure 3: Slate Rock East Prospect Cross Section**

**Figure 4: PEN-20-049 Core Photo with Coarse Visible Gold**

**Figure 5: Plan Map of Deerfoot Corridor (HGM Prospect)**

**Figure 6: HGM Prospect Cross Section**

**Figure 7: HGM Prospect Longitudinal Map**

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 similar geological settings that host most of the gold deposits found in the Timmins Gold Camp which have produced over 70 million ounces of gold. The Company also owns 100% of the Rattlesnake Hills Gold Project, a district scale gold exploration project located approximately 100 kilometres southwest of Casper, Wyoming, U.S. 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.

#### Sampling and Quality Control

Drill core samples are being analyzed for gold by Activation Laboratories Ltd. in Timmins, Ontario. Gold analysis consists of the preparation of a 500-gram pulp and an assay of a 50-gram aliquot by Pb collection fire assay with an Atomic Absorption Spectrometry finish (Package 1A2-50). Samples assaying above 5 ppm Au are routinely re-run using a gravimetric finish (Package 1A3-50). Mineralized zones containing visible gold are analyzed by a screen metallic fire assay method. Selected samples are also undergoing multi-element analysis for 59 other elements using a four-acid digestion and an ICP-MS finish (Package MA250) by Bureau Veritas Commodities Canada Ltd. 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 till, 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.

#### 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.

Photos accompanying this announcement are available at:

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