

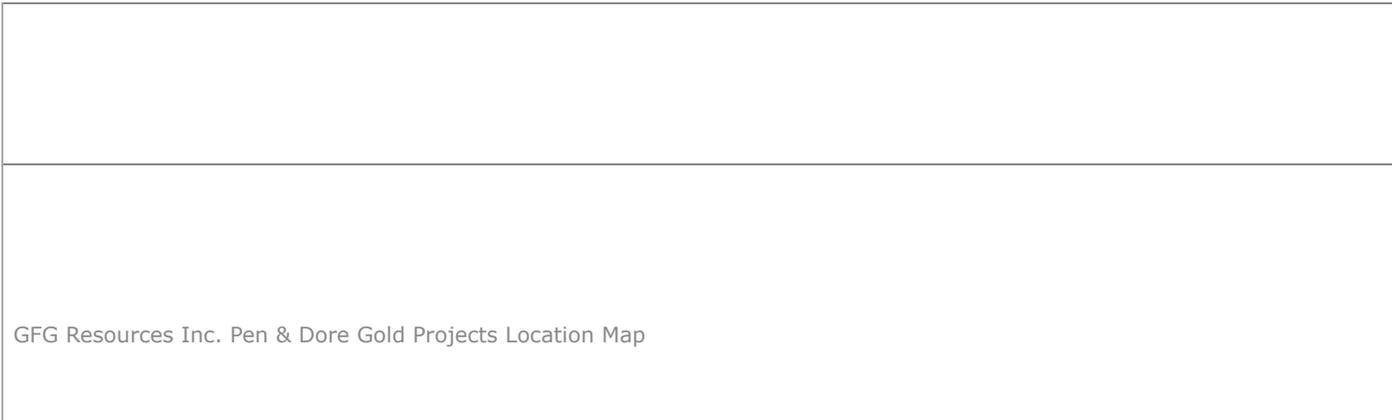
NEWS RELEASE

# GFG Begins Drilling and Outlines 2019 Exploration Program at its Pen Gold Project West of Timmins, Ontario

2/27/2019

Key Highlights:

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GFG Resources Inc. Pen & Dore Gold Projects Location Map

2019 Phase 1 Drill Targets at Reeves, Jehann & Deerfoot

2019 Phase 1 Drill Target at Slate Rock

- 2019 drill program to consist of approximately 8,000 metres in two phases at the Pen Gold Project;
- Initiated the 2019 Phase 1 drill program consisting of approximately 4,000 metres in 13-15 drill holes testing six new targets in the Reeves, Jehann, Deerfoot and Slate Rock regions (See Figure 2 and 3);
- Complete further regional till sampling with the objective to infill areas where gold anomalies have been outlined and to evaluate other gold-bearing corridors where no till sampling has been completed;
- Conduct a 50-line-kilometre IP survey over the new Jehann region where many significant gold-in-till anomalies have been identified in an area that hosts multiple splays of the Destor-Porcupine Fault Zone (“DPFZ”); and
- 2018 Drill Results: Initial six holes released while the remaining 13 holes are pending assays and expected to be announced in March 2019.

SASKATOON, Saskatchewan, Feb. 27, 2019 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) (“GFG” or the “Company”) announces that it has started the first phase of its 8,000 metre 2019 drill program at its 100% owned district scale Pen Gold Project located 20 kilometres west of the Timmins West gold complex in Ontario (See Figure 1). The Phase 1 drill program will consist of approximately 4,000 metres testing six new targets

in the Reeves, Jehann, Deerfoot and Slate Rock regions (See Figures 2-3). The Phase 2 drill program of approximately 4,000 metres is anticipated to begin in the third quarter. In addition to the 2019 drill programs, the Company will conduct additional regional till sampling, ground geophysics, prospecting and mapping on its 475-square-kilometre Pen Gold Project.

Brian Skanderbeg, President and CEO commented, "We had a very productive and successful 2018 that included developing a new district model, identifying and confirming highly prospective target corridors and intersecting high-grade gold results from our inaugural drill program. In 2019, we will build off this success and are excited to be able to dedicate more resources into drilling with the overall objective of testing a broad spectrum of district-scale targets. Our 2019 Phase 1 drill program is designed to test six targets that are located on important regional structures and have all the geological hallmarks that host the multi-million-ounce gold deposits in the Timmins gold district."

"2019 will be a very exciting and catalyst-rich year as we execute aggressive drill programs at both the Pen Gold Project and the Rattlesnake Hills Gold Project, each having the potential to yield gold discoveries."

#### 2019 Drill Program

In 2019, the Company plans to drill approximately 8,000 metres in two phases at the Pen Gold Project, located west of the prolific Timmins gold district.

The Phase 1 drill program will consist of approximately 4,000 metres in 13-15 holes ranging in length from 150 to 300 metres with the objective to test six highly prospective targets in the Reeves, Jehann, Deerfoot and Slate Rock regions (See Figures 2-3). The six drill targets have seen no historic drilling and have been generated from the Company's 2018 systematic integration of geological, geochemical, structural and geophysical datasets. The Phase 1 drill program has started and is expected to be completed in April.

The Phase 2 drill program will consist of approximately 4,000 metres of drilling and is expected to begin in the third quarter of 2019.

#### Phase 1 Drill Targets

##### Jehann Region

The Company plans to test three targets in the 20-square-kilometre Jehann region during the first phase of the 2019 drill program. This geologically complex area contains multiple east-west trending shear zones, interpreted to be splays off the DPFZ (See Figure 2). Drilling will begin in the eastern Jehann area, where regional till samples returned 122 gold grains, of which >94% were pristine-shaped, indicating the gold was likely transported less than one kilometre from the bedrock source. (See news release: **"GFG Outlines 5 Priority Targets from Regional Till**

## Sampling Program at the Pen Gold Project Near Timmins, ON").

The second target to be tested within the Jehann region is located five kilometres to the west, where historic grab samples of quartz-carbonate veining in diorite and sediments returned values of up to 4.7 grams of gold per tonne ("g/t Au"). The veining occurs in highly-strained, sulphidized rocks displaying intense carbonate and silica alteration in an east to northeast-trending shear zone. No historic drilling has been documented in this area.

The third target occurs where north-trending altered mafic and ultramafic rocks are dragged into a first-order east-trending shear zone that dissects the Reeves Ultramafic Complex. Resistivity anomalies in this area are indicative of diorite or felsic porphyry intrusions which provide potential competency contrasts, increasing the likelihood of gold accumulation. Drilling in this area will target the flanks of interpreted porphyry bodies at the intersection of north and east trending shear zones.

### Reeves Region

The Company plans to test two targets within the Reeves region where extensive cover has hindered historic exploration (See Figure 2). The two targets are located on two distinct northeast to east-trending structural corridors that contain quartz-feldspar porphyry intrusions and deformed polymictic conglomerate horizons that are interpreted to be analogous to Timiskaming conglomerates that mark important mineralizing structures within the central Timmins gold camp.

The northern corridor contains shear zones that flank a large deformed quartz-feldspar porphyry intrusion displaying intense carbonate and local tourmaline alteration. The productivity of this structure is confirmed by historic surface grab samples which returned gold values up to 4.4 g/t Au. The planned drill holes will test the eastern limit of the porphyry body where it is disrupted by northwest trending structures and terminates in an area of no exposure.

Within the southern corridor, intensely carbonate-altered ultramafic horizons with elevated gold contents occur west of the Reeves Ultramafic Complex and adjacent to altered mafic-volcanic and conglomerate horizons. The prospectivity of this area is exemplified by historic surface grab samples at the Nib-Yellowknife showing which returned gold values up to 13.6 g/t Au and 37.6 g/t Au from north-east trending quartz-carbonate shears and east-northeast extensional veins. Drilling in this area will focus on fold-nose and shear zone intersection models, and coincident chargeable and resistive features identified in the recently completed 110-line-kilometre IP survey.

### Slate Rock Region

Geologically, the Slate Rock region consists of a package of sedimentary and felsic-mafic volcanic rocks intruded by numerous quartz-feldspar porphyry bodies, the largest of which can be traced in outcrop and as a magnetic high for over five kilometres in the western portion of the Pen Gold Project. Much of the area is covered by overburden

and has seen limited to no drilling.

Elevated gold values (up to 1.0 g/t Au) occur in outcropping porphyry where it is sheared, veined and carbonate-sericite altered. Accompanying anomalous contents of bismuth, tellurium and tungsten in the gold mineralized samples are consistent with porphyry-related mineralization. Historic samples of glacially transported boulders returned up to 18 g/t Au. Till samples collected in 2018 confirm the regional prospectivity returning high percentages (up to 70%) of pristine shaped gold grains (up to 66 grains). Drilling in this area will focus on the southern contact of the main porphyry body where magnetic and IP data indicate structural complexity and alteration, and where the porphyry attenuates in areas of high strain (See Figure 3).

#### Deerfoot Region

The Deerfoot region is centered on a four-kilometre trend of the interpreted westward extension of the DPFZ and associated second-order fault splays that has seen limited historic drilling (See Figure 2). The stratigraphy, structure and nature of mineralization are analogous to that which hosts the Timmins West, Thunder Creek and the 144 Gap gold deposits currently being mined or developed by Pan American Silver Corp. 15 kilometres to the northeast.

To date, two high grade gold prospects occur within the Deerfoot region: HGM and Sewell. Recent drilling by the Company at the Sewell prospect confirmed the high-grade gold nature of the mineralization in this area returning intercepts of 33.8 g/t Au over 1.05 metres and 12.1 g/t Au over 0.85 metres in deformed pyroxenite horizons within the Sewell intrusive complex (See news release: **“GFG Drills 33.77 g/t Gold over 1.05 Metres at Pen Gold Project West of Timmins, ON”**). At the HGM prospect, in central Deerfoot, historic drill assays returned up to 43.0 g/t Au over 1.50 metres in sulphidized carbonate-altered mafic volcanic rocks within a shear zone.

Drilling will focus between the HGM and Sewell prospects where new geophysical data has revealed several drill targets along the two-kilometre trend with no historic drilling and where overburden has hindered historic prospecting efforts.

#### Surface Exploration Programs

In addition to the 2019 drill programs, the Company will conduct additional regional till sampling, ground geophysics, prospecting and mapping.

Following a successful regional till sampling program in 2018, the Company will conduct a Phase 3 program designed to increase sample density in the anomalous areas and to expand regional coverage over other priority areas where no sampling has been completed.

The 2019 exploration program will also involve intensive prospecting of extensions to known mineralized trends and in particular along prospective structures that are coincident with newly identified and underexplored regional

till targets on the Pen Gold Project.

An IP survey will be conducted over the newly outlined Jehann region where till sampling results have returned highly pristine gold grain counts. The Jehann targets fit with the Company's geological model of the district and are located along major structural corridors including along the DPFZ, which hosts the majority of the gold deposits in the Timmins gold district.

#### Granting of Incentive Stock Options

Pursuant to the Company's executive compensation program the Company announced that it had granted stock options to officers, employees and senior consultants to purchase up to an aggregate of 830,630 common shares of the Company. These stock options vest over three years and are exercisable for a period of five years at a price of \$0.195 per common share.

The Company is also pleased to announce that the Company's President and CEO and its Board of Directors will maintain their reduced annual cash compensation in a continued effort to maximize the Company's in-the-ground exploration expenditures. In lieu of the reduced cash compensation, the Company will grant the President and CEO and its Board of Directors stock options to purchase up to an aggregate of 602,500 common shares of the Company. These stock options vest over three quarters and are exercisable for a period of five years at a price of \$0.195 per common share.

The incentive stock options were granted in accordance with the Company's Stock Option Plan.

Figure 1: **Pen and Dore Gold Project Location Map**

Figure 2: **Phase 1 Drill Target Map: Reeves, Jehann and Deerfoot**

Figure 3: **Phase 1 Drill Target Map: Slate Rock**

#### 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 3 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 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.

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.

#### 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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