

GFG Closes C\$5.9 Million Oversubscribed Private Placement & Welcomes Alamos Gold as Strategic Investor

5/6/2020

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE

SASKATOON, Saskatchewan, May 06, 2020 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") announces that it has closed the oversubscribed, non-brokered private placement financing (the "Offering") (see news releases dated April 21, 2020 and April 29, 2020) for gross proceeds of C\$5,905,624. As previously disclosed, Alamos Gold Inc. (TSX: AGI; NYSE: AGI) ("Alamos") has purchased securities under the Offering to obtain a 9.9% interest in the Company.

Pursuant to the Offering, the Company issued (i) 15,818,420 common shares of the Company that will qualify as "flow-through shares" ("FT Shares") for the purposes of the Income Tax Act (Canada) at a price of C\$0.2907 per share for gross proceeds of C\$4,598,415 and (ii) 6,880,045 non-flow-through common shares ("NFT Shares") of the Company at a price of C\$0.19 per share for gross proceeds of C\$1,307,209.

"The Company is pleased to close the oversubscribed financing and welcomes Alamos as a strategic investor," stated Brian Skanderbeg, President and CEO of GFG. "With a strong treasury and multiple highly prospective targets, we are excited to resume our 2020 exploration programs to demonstrate the potential for the Pen Gold Project to host multiple gold deposits next to the world-class Timmins gold camp."

John A. McCluskey, President and CEO of Alamos Gold Inc. commented, "We are excited to be a strategic investor in GFG as they explore for new gold deposits in one of Canada's richest and most prospective gold trends. GFG has strong geological capability and has assembled a large and impressive land package. We believe they have the right approach to exploration and we wish them well as the 2020 field season gets underway."

Corporate Update

The Company expects to receive the final assay results from the remaining six drill holes from the 2020 Phase 1 drill program in the coming weeks. Following the receipt and release of the assay results, the Company will provide a detailed and expanded 2020 exploration plan for the Pen and Dore gold projects.

In connection with the Offering, Alamos has been granted certain participation rights to maintain its pro rata ownership interest in the Company.

The gross proceeds raised from the sale of the FT Shares will be used for exploration activities in Ontario that will qualify as “Canadian Exploration Expenses” (within the meaning of the Income Tax Act (Canada)). The net proceeds raised from the sale of NFT Shares will be used for general working capital purposes.

The FT Shares and NFT Shares are subject to a hold period and may not be traded until September 7, 2020 except as permitted by applicable securities legislation and the rules and policies of the TSX Venture Exchange.

The Offering is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the final approval of the TSX Venture Exchange. All securities issued will be subject to a hold period expiring four months and one day from their issuance.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless an exemption from such registration is available.

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.

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.

For further information, please contact:

Brian Skanderbeg, President & CEO

Phone: (306) 931-0930

or

Marc Lepage, Vice President, Business Development

Phone: (306) 931-0930

Email: info@gfgresources.com

Website: www.gfgresources.com

Stay Connected with Us

Twitter: @GFGResources

LinkedIn: <https://www.linkedin.com/company/gfgresources/>

Facebook: <https://www.facebook.com/GFGResourcesInc/>

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 intended use of proceeds from the Offering, the expected timing for receipt of final assay results and the Company's plans to provide a detailed and expanded 2010 exploration plan, 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 assumption that general economic and business conditions will not change in a materially adverse manner, that the Company will receive final assay results will be received within the anticipated timeframe and that such results will be within management's expectations, that the work to complete a detailed and expanded 2020 exploration plan for the Pen and Dore gold projects will proceed as planned, that the Company will be able to raise additional funds on reasonable terms, 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, including the final assay results from the remaining six drill holes from the 2020 Phase 1 drill program; 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.



Source: GFG Resources Inc.