

NEWS RELEASE

GFG Closes First Tranche of Private Placement

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

SASKATOON, Saskatchewan, Oct. 24, 2019 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") announces that it has closed the first tranche of the previously announced non-brokered private placement (the "Offering") for gross proceeds of C\$3,066,073 million.

"We are grateful for the support and confidence from our existing and new shareholders in our unwavering and disciplined pursuit to deliver shareholder value through discovery", stated Brian Skanderbeg, President and CEO of GFG. "This financing will allow us to follow-up on our recent discoveries at the Pen Gold Project, located west of the Timmins Gold District, and further advance our Rattlesnake Hills Gold Project with our partner Newcrest Mining Ltd. Over the past year, we have significantly advanced both projects and we look forward to providing numerous catalysts from the on-going and upcoming drill programs."

Pursuant to the closing of the first tranche of the Offering, the Company issued (i) 5,025,555 units of the Company ("Units") at a price of C\$0.18 per Unit for gross proceeds of C\$904,600, with each Unit consisting of one common share of the Company (which is not a "flow-through share") and one-half of one share purchase warrant, with each whole share purchase warrant (a "Warrant") entitling the holder thereof to acquire one additional common share of the Company (which shall not be a "flow-through share") at an exercise price of C\$0.27 for a period of 24 months from the date of issuance; (ii) 3,334,546 common shares of the Company that qualify as "flow-through shares" for the purposes of the Income Tax Act (Canada) ("FT Shares") at a price of C\$0.22 per FT Share for gross proceeds of C\$733,600; and (iii) 5,192,267 charity units of the Company ("Charity Units") at a price of C\$0.275 per Charity Unit for gross proceeds of C\$1,427,873, with each Charity Unit consisting of one FT Share (a "Charity FT Share") and one-half of one Warrant.

The gross proceeds raised from the sale of the FT Shares and Charity 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 the Units and the Warrants comprising, in part, the Charity Units, will be used for exploration activities on the Company's projects in Wyoming and Ontario as well as for general working capital purposes.

The Company intends to close the final tranche of the Offering on or about October 29, 2019, for up to the remaining balance of the private placement.

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 and issuable pursuant to the first tranche of the Offering are subject to a hold period expiring February 25, 2020.

Related Party Transaction

In connection with the Offering, Messrs. Brian Skanderbeg the CEO and a director of the Company and Richard Johnson, the CFO of the Company (collectively the "Insiders") have purchased a total of 478,637 FT Shares. Insiders' participation in the Offering constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available on the basis of the Company not being listed on specified stock exchanges, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ and certain overseas exchanges. The Company is also relying on the exemption from minority shareholder approval requirements under MI 61-101, as the fair market value of the insiders' participation in the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

In connection with the Offering, the Company paid a cash finder fee of C\$25,080.

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 unless an exemption from such registration is available.

About GFG Resources Inc.

GFG Resources Inc. 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 availability of financing, the receipt of all applicable regulatory approvals for the Offering, the timing and size of the Offering, the proposed use of proceeds of the Offering and the prospectivity of the Company's projects. 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 and secure all requisite regulatory approvals, 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 or regulatory 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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