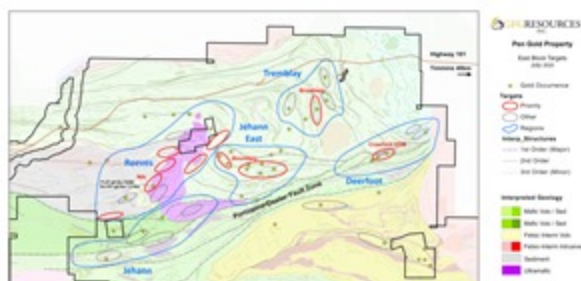


# GFG Confirms New High-Grade Gold Target with up to 11 g/t Gold from Surface Sampling and Provides Exploration Update at the Pen Gold Project West of Timmins, ON

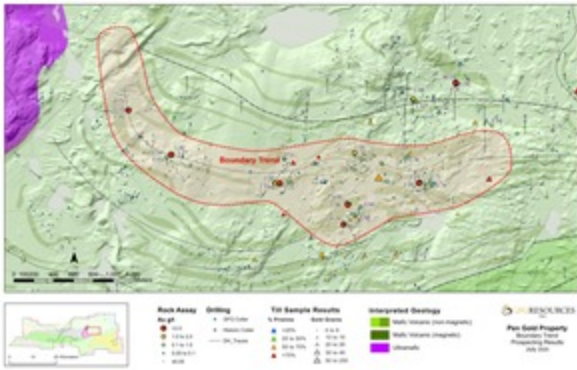
7/15/2020

SASKATOON, Saskatchewan, July 15, 2020 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") provides an update on its current exploration programs including initial high-grade gold results from its on-going regional surface exploration program at its 100% owned Pen Gold Project in Ontario, Canada (see Figures 1-2).





Pen Gold Project, East Block Gold Targets - July 2020



Boundary Prospect Plan Map - Pen Gold Project - July 2020

The Pen Gold Project is located 40 kilometres west of the prolific Timmins Gold District and is part of a consolidated, underexplored land package of approximately 680 square kilometres that includes the Dore Gold Project. Over the next five months, the Company plans to complete further geochemical and geophysical surveys and resume drilling in August with approximately 8,500 metres (“m”) at the Pen Gold Project.

Brian Skanderbeg, President and CEO, commented, “The recent sampling results from the new Boundary target are very encouraging and confirm a mineralized gold trend that is over three kilometres long. As we continue to execute our summer field program, we are excited to resume our drill program in August to follow-up on our recent Nib discovery and test highly prospective regional targets for the next discovery.”

## Program Update

The Company re-commenced field activities at the end of May with prospecting, mapping and till sampling of priority areas in the central part of the Pen Gold Project at the Boundary, Broadway and Nib regions (see Figure 1). In addition, to enhance ongoing structural mapping efforts and determine drill hole placement, high resolution drone magnetic surveys have been completed at the Boundary and Broadway regions. Based on new prospecting results, as described below, drone magnetic survey coverage is being doubled to over 1,200-line kilometres.

## Boundary

The Boundary Trend is an early-stage multi-kilometre scale target in the Jehann East Region of the Pen Gold Project (see Figure 2). In 2019, the Company prioritized the Boundary Trend for prospecting based on highly anomalous gold-grain counts from till samples located down-ice from an underexplored structural corridor interpreted from airborne magnetic data. Initial prospecting identified six areas along the three-kilometre trend with greater than 1.0 grams of gold per tonne (“g/t Au”) and up to 6.9 g/t Au from outcrop samples (see news release: **“GFG Identifies New Gold Target with up to 7 g/t Gold and Expands Slate Rock Target at the Pen Gold Project West of Timmins, ON”**). Follow-up prospecting in 2020 has confirmed the significance of the trend and has reinforced the prospectivity of the western end with rock samples returning up to 11.1 g/t Au.

While most of the gold occurrences along the Boundary Trend are hosted by deformed and altered mafic volcanics, the new occurrence on the western end is hosted in a previously unrecognized diorite body which is the same host rock as the high-grade gold mineralization at the nearby Nib Prospect. The Boundary Trend remains open to the west in an area of extensive cover where it intersects a north-east trending structural corridor that hosts the Nib discovery.

Targets along the Boundary Trend are being prioritized by ongoing structural mapping and the drone magnetic survey data. This area will be tested as part of the upcoming drill program.

## Broadway

The Broadway Prospect is an early stage, kilometre-scale target in the northeast portion of the Pen Gold Project in the Tremblay Region (see Figure 1). In 2019, following-up on positive prospecting results, the Company drilled 2.29 g/t Au over 2.5 m including 7.30 g/t Au over 0.7 m in sheared and quartz-carbonate altered diorite (see news release: **“GFG Provides Exploration Update and Initiates 2020 Drill Program at Pen Gold Project West of Timmins, ON”**). Anomalous rock samples (up to 0.8 g/t Au) and till gold grain counts (up to 55 grains; 84% pristine) suggest that the mineralized system could extend up to 700 m south of this intercept. Ongoing mapping and drone magnetic survey data are being used to prioritize targets along this previously undrilled trend. Selected high priority targets will be tested as part of the upcoming drill program.

## Nib

In the first quarter of 2020, the Company drilled a new gold zone at the Nib Prospect that returned 71.27 g/t Au over 8.5 m including 511.00 g/t Au over 1.15 m in sheared and altered diorite (see news release: **“GFG Drills 71.27 Grams of Gold per Tonne Over 8.5 Metres at the Pen Gold Project West of Timmins, Ontario”**). This new zone is part of a stacked vein system that is related to north-east and east-trending structures along the western margin of the Reeves Ultramafic Complex. Additional parallel structures have been interpreted from airborne magnetic data and are additional high priority drill targets. To better constrain these targets, in this region of extensive swamp and esker cover, a high-resolution drone magnetic survey is being conducted that will cover the greater Nib Prospect area and extend eastward to cover the new high-grade surface showing at the west end of the Boundary Trend. Identified high priority targets from the drone magnetic survey will be tested as part of the upcoming drill program.

## Outlook

Over the next several months, the Company will continue its aggressive exploration program at the Pen Gold Project with drilling to commence in August. The Company plans to complete 8,500 m of drilling by the end of the year with most of the drilling allocated to the Nib discovery. Prospecting, mapping and till sampling programs will occur concurrently with the drill program and continue into the fall. Prospecting and mapping, once completed at Boundary, Broadway and Nib, will focus around the Slate Rock Prospect located in the west block of the Pen Gold Project. Similarly, till sampling efforts are being directed to various parts of the Pen Gold property to infill anomalous areas and to extend regional sampling coverage.

**Figure 1: Pen Gold Project, East Block Gold Targets** (click on image to enlarge)

**Figure 2: Boundary Prospect Plan Map** (click on image to enlarge)

## 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

Surface rock samples collected in 2019 were analyzed for gold by Activation Laboratories Ltd. in Timmins, Ontario using a 50-gram aliquot, Pb collection fire assay and an Atomic Absorption Spectrometry finish (Package 1A2-50). Samples assaying above 5 ppm Au were re-run using a gravimetric finish (Package 1A3-50). Selected rock samples were also be submitted for multi-element analysis using a four-acid digestion and an ICP-MS finish (Package MA250) at Bureau Veritas Laboratories in Vancouver, British Columbia. Quality control and assurance measures include the monitoring of results for inserted certified reference materials coarse blanks and preparation duplicates.

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:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/004db745-4461-49ca-8610-22be2895a721>

<https://www.globenewswire.com/NewsRoom/AttachmentNg/b100ce17-d856-4094-9b0c-bf1cfc1aa708>



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