

GFG Geophysical Survey Outlines Prospective Corridors at the Pen Gold Project West of Timmins, Ontario

5/24/2018

SASKATOON, Saskatchewan, May 24, 2018 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V:GFG) (OTCQB:GFGSF) ("GFG" or the "Company") is pleased to announce that it has completed a high-resolution helicopter-borne magnetic survey (9,850 line-kilometres on 50-metre line spacing) over a large portion of the Pen Gold Project, located between Tahoe Resources' West Timmins gold mine and Goldcorp's Borden gold project. The new magnetic survey, combined with existing data, now provides complete coverage of the highly prospective 445 square kilometre property (See Figures 1, 2 and 3). A property-wide structural model has been constructed from this new data to trace the major (first order) and minor (second order) deformation zones and prospective structural settings. This data is crucial to provide context to known gold occurrences and has identified numerous new structural targets for investigation during the upcoming field campaign in preparation for the 8,000 metre drill program in the third and fourth quarters.

Pen Gold Project Magnetic Survey Results and Interpreted Structures

Pen Gold Project Geology Map with Structural Interpretation

Regional Map of Pen Gold and Dore Gold Projects

Brian Skanderbeg, President and CEO of GFG, commented, "Since the acquisition of the Pen Gold and Dore Gold projects, our team has undertaken a complete review and compilation of the historic exploration data and have designed a multi-faceted exploration program for 2018. The first step in the 2018 program was to complete a property-wide detailed airborne magnetic survey to build a coherent structural model of the district and provide context to the numerous targets on the property. We are very pleased with the results from the magnetic survey and the development of the structural model as it is an essential tool in prioritizing drill targets, drilling efficiently and in ultimately making a new gold discovery."

The new high-resolution magnetic survey data is critical in generating a better understanding of the structural



setting of historic high-grade intercepts such as the 50 grams of gold per tonne (“g/t Au”) over 1.5 metres along the east-west trending Deerfoot Deformation Zone, 94 g/t Au over 1.1 metres along a second-order north-south trending shear zone on the east portion of the property and 13.4 g/t Au over 4.3 metres drilled by Rapier Gold within the Reeves Ultramafic Complex. With this information in hand, we have now better identified these prospective structural targets across the property. The new structural model has also better defined our structural interpretation and has revealed new target areas where limited exploration work has been completed.

The summer field campaign is scheduled to commence before the end of the May with initial efforts focusing on prospecting, mapping and till sampling to screen the numerous structural targets. While target identification and ranking is still on-going, there are certain prospective areas, such as along the Deerfoot Deformation Zone, that lack ground geophysical data and where till cover limits bedrock exposure. In these areas, ground-based Induced Polarization (IP) surveys will be used to better define drill targets. Based on the results of the IP surveys and on-going evaluation of existing surface and drilling data, targets will be ranked and prioritized for drilling starting in the third quarter of this year.

Figure 1: Pen Gold Project Magnetic Survey Results and Interpreted Structures

http://gfgresources.com/files/doc_news/2018/05/Fig1_GFG_Pen-Gold-Magnetics_May-2018.jpg

Figure 2: Pen Gold Project Geology Map with Structural Interpretation

http://gfgresources.com/files/doc_news/2018/05/Fig2_GFG_Pen-Gold_Structure-Lithology_May-2018.jpg

Figure 3: Regional Map of Pen Gold and Dore Gold Projects

http://gfgresources.com/files/doc_news/2018/05/Fig3_GFG_Regional-Abitibi-Gold-Map_May-2018.jpg

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.

About GFG Resources Inc.

GFG Resources is a North American precious metals exploration company headquartered in Saskatoon, Saskatchewan, Canada, whose shares trade on the TSX Venture Exchange (GFG) and on the OTCQB (GFGSF). The Company owns 100% of two large and highly prospective gold properties west of the prolific gold district of Timmins, Ontario, Canada. The Ontario properties are comprised of the 44,500-hectare Pen Gold Project (including the West Porcupine property) and the 20,000-hectare Dore Gold Project. The Company also controls 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.

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.

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

Source: GFG Resources Inc.