

GFG Outlines 5 Priority Targets from Regional Till Sampling Program at the Pen Gold Project Near Timmins, ON

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SASKATOON, Saskatchewan, Sept. 20, 2018 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") confirms camp scale targets and outlines new highly prospective areas from its regional till sampling program at its 100% owned Pen Gold Project ("Project") in Ontario, Canada. The Project, located 40 kilometres from the prolific Timmins Gold Camp, is a consolidated land package which consists of approximately 475 square kilometres. Since acquiring the Project in March, GFG has conducted extensive surface exploration programs with the objectives to build a district model to prioritize and test drill targets with approximately 5,000 to 6,000 metres of drilling.

Highlights:

- Completion of Phase 1 till program outlines 5 priority target areas that are associated with highly prospective regional structures and confirms regional gold prospectivity;
- Returns results of up to 2,470 ppb gold and 142 gold grains from regional till sampling;
- Advances multiple IP grids to refine drill targets associated with significant till anomalies and along major structural corridors; and
- Confirms Phase 1 drill program to begin in October and will consist of approximately 5,000 - 6,000 meters testing 5 to 7 regional targets.

Brian Skanderbeg, President and CEO, commented, "Our multi-disciplinary exploration strategy is clearly

demonstrating the regional prospectivity of the Project. With a district scale land package and well-developed regional structural framework in hand, we are excited with the magnitude and location of the till anomalies. The high gold grain counts and pristine grain textures are consistent with a proximal source and provide strong evidence to support our existing targets as well as generating new targets.”

Mr. Skanderbeg added, “With the advancement of the Project to drilling in October and the recently announced option and earn-in agreement with Newcrest on our Rattlesnake Hills Project, GFG will have multiple aggressive drill programs moving through 2018 and into 2019.”

2018 Exploration Update

Till Sampling Program

Results from the Phase 1 till sampling program has outlined 5 priority regional till anomalies returning up to 2,470 ppb gold and 142 gold grains (see Figure 1). For many of the samples with anomalous gold grain counts, the majority of the grains are pristine-shaped indicating the gold was likely transported less than 1 kilometre from the bedrock source. The total number of grains reported and aerial extent of the anomalies further confirms the district endowment and prospectivity. Photomicrographs of the gold grains recovered from one of the samples (see Figure 2) provides an example of pristine, modified and re-shaped grains. Of the 359 sample sites, 33 geochemical samples and 51 bulk till samples have anomalous values, exceeding the regional background of 8 ppb gold and 15 gold grains respectively.

The till results highlight kilometer-scale, regional targets at Jehann, Slate Rock, Hoodoo, Deerfoot and Chabot. At Jehann, the anomalous till samples, including two samples with >85 pristine gold grains (see Figure 1), occur along a 5 kilometre segment of the Porcupine-Destor Fault Zone (“PDFZ”). A historic till sample collected by the Ontario Geological Survey located within the target area returned 7.2 grams of gold per tonne (“g/t Au”) confirming the high gold content of the till in the area. The anomaly remains open and further sampling is on-going. This area hosts multiple splays of the PDFZ that offset the Reeves Ultramafic Complex and has seen limited previous drilling. Historic prospecting of the target area outlined broad, strong carbonate and fuchsite alteration, numerous occurrences of quartz veining and felsic porphyry intrusives.

In the western portion of the property, the Phase 1 till survey has outlined priority anomalies in the Slate Rock and Hoodoo target areas. At Slate Rock, a 4-kilometre-long, open-ended anomaly is associated with the intersection of a first-order regional shear zone and northeast-trending second-order shear zones. Several altered and mineralized porphyry intrusives have been outlined with historic rock samples of felsic intrusive rocks up to 3.6 g/t Au in outcrop, up to 16.1 g/t Au in boulders, and historic drilling up to 1.3 g/t Au over 1.4 metres. To the southwest at Hoodoo, a number of regional sample sites hosting highly-pristine gold grains are associated with two parallel, first

and second-order shear zones. The results near the historic Joburke gold mine serve to validate till sampling as an effective property-scale target identification tool as well as outline the down-ice (to the south) dispersion train from an existing deposit.

Within the Deerfoot target area, till samples returned up to 44 pristine gold grains (>80% of total grain count). This highly anomalous sample was collected 900 metres to the south of gold mineralization within the recently acquired Sewell Patents (see news release dated June 1, 2018, "GFG Acquires Strategic Claims Adjacent to its Pen Gold Project West of Timmins, Ontario") confirming southward till dispersion and transport. Historic drilling of this occurrence returned values up to 60.2 g/t Au over 1.3 metres associated with pyrite-bearing quartz veins in sheared mafic intrusive rocks.

At Chabot, in the southeast part of the Property, till samples define a 2 kilometre trend of anomalous pristine gold grain counts. Historic drilling in the area returned only anomalous gold values (0.5 g/t over 7 metres) however some of the anomalous till samples are located further to the north suggesting that the bedrock source has not yet been located and further data review and prospecting is justified.

Given the success of the Phase 1 till program in confirming and highlighting new regional targets, GFG has commenced a Phase 2 till program to increase sample density in the anomalous areas and to expand regional coverage over other priority areas (Figure 1). A total of approximately 110 samples are planned for Phase 2, with the program to be completed early in Q4.

IP Program

In 2018, two target areas (Deerfoot & Reeves) were prioritized for ground-based IP surveying. Surveying has been completed on the Deerfoot grid (100-metre line spacing; 45-line kilometres) and results are expected in the next few weeks. This important layer of geophysical data will be incorporated with the results from the surface sampling and historic drilling and will undergo a 3D inversion to generate a series of depth slices to form the basis for refining drill targets to be tested during the upcoming drill program. Surveying of the Reeves grid (200-metre line spacing; 68-line kilometres) has commenced with expected completion in 6 weeks.

Outlook

For the remainder of 2018, the Company will focus on completing and analyzing the IP survey data at the Reeves and Deerfoot targets, executing the Phase 2 till sampling program and drill test 5 to 7 targets with approximately 5,000 to 6,000 metres of drilling. Drilling is anticipated to begin in early October and run through to December. Given the logistical setting of several of the priority targets, the Company anticipates a follow-up Phase 2 winter drill program to be launched early in Q1 2019.

Figure 1: Overview map of regional till sampling results and Phase 2 till sampling targets, click here:

https://s21.q4cdn.com/712049373/files/doc_news/2018/Figure-1-Pen_Till_Results_Overview_Map_Sept-2018.JPG

Figure 2: Photomicrographs of the gold grains recovered from one of the samples with examples of pristine, modified and re-shaped grains, click here: https://s21.q4cdn.com/712049373/files/doc_news/2018/Figure-2-GoldGrains_Samp258-Sept-20-2018.jpg

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

Till Samples were collected from hand-dug pits by experienced samplers at depths up to 1 meter in a grid pattern with nominal spacing of 500 by 1000m in areas of till cover. Geochemical samples (~2 kilograms) were sieved to minus 230 mesh and analyzed for gold and multi-element using an aqua regia digestion and ICP-ES/MS finish by Bureau Veritas Commodities Canada Ltd. in Vancouver in facilities accredited by the Standards Council of Canada. Gold grains were separated from bulk till samples (~10 kilograms) at IOS Services Geoscientifiques Inc. using their ArtPhot optical recognition methodology. Composition of separated gold grains were confirmed using a Scanning Electron Microscope. Comparison of geochemical results with accepted values for inserted certified reference materials confirms the accuracy of gold concentration results.

Till is a transported surficial media produced during active glaciation that is affected by subsequent surficial process that may affect the gold content and lead to further transport. As such the occurrence of a gold anomaly in till is not conclusive evidence of a mineral deposit existing within the Property.

Sampling protocol, quality control and assurance measures and geochemical results related to documented historic till, rock grab, and drill core samples have not been verified by the Qualified Person. However, the grades and locations of these samples have been cross referenced with available maps and reports and GFG believes them to be of reasonable accuracy.

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 47,500-hectare Pen Gold Project and the 20,000-hectare Dore Gold Project. The consolidated land packages have the same geological setting that hosts

most of the gold deposits found in the Timmins Gold Camp which has produced over 70 million ounces of gold. 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.

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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.

Source: GFG Resources Inc.