

GFG Outlines Aggressive Exploration Program at its Recently Acquired Pen Gold and Dore Gold Projects West of Timmins, Ontario

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SASKATOON, Saskatchewan, March 22, 2018 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V:GFG) (OTCQB:GFGSF) ("GFG" or the "Company") outlines an aggressive 2018 exploration program following the recent acquisition of the Pen Gold and Dore Gold projects within the western portion of the Abitibi greenstone belt west of Timmins, Ontario, Canada (See Figure 1). The fully funded, C\$3.0 million exploration program, being conducted 30 kilometres west of the Timmins West gold mine, will include airborne and ground geophysics, till sampling, prospecting, mapping, and approximately 8,000 metres ("m") of diamond drilling.

Brian Skanderbeg, President and CEO commented, "We are excited to launch the first ever systematic, district scale exploration program in this under-explored portion of the Abitibi greenstone belt. Our 565 square kilometre land package has all the geological hallmarks that have led to over 70 million ounces of gold production in the Timmins gold district and the recent multi-million-ounce gold discoveries at Borden Lake and Cote Lake. Our goal in 2018 will be to build a sound structural model utilizing modern exploration techniques to define and prioritize drill targets focused on making a new gold discovery. With two exploration programs in 2018 and a maiden resource from our Rattlesnake Hills Gold Project in Wyoming, we look forward to providing consistent news flow to our shareholders throughout the year."

2018 Program Outline

The Company will employ a systematic belt-scale approach to exploration and targeting on the highly prospective Pen Gold and Dore Gold properties. The 2018 program is aligned with the overall objective to drill test six to eight priority targets that are prospective for high-grade gold mineralization. The majority of the program and drilling will focus on the Pen Gold project located between Goldcorp's Borden Lake gold project and Tahoe Resources' Timmins

West gold mine. In addition, field work and data compilation will be done to advance the Dore Gold project to better define drill targets for future drill programs.

As a first step, the Company completed a high-resolution helicopter-borne magnetic survey (9,850 line-kilometres on 50-metre line spacing) over a large portion of Pen Gold property in March. The new magnetic survey, combined with existing data, now provides complete coverage of the property. A property-wide structural model will be constructed from this new data in order to trace the main deformation zones and prospective second-order structures. This data is crucial to provide context to known occurrences and will identify new structural targets.

The defined structural targets will be evaluated using compiled Company and government geological and geochemical information and, where needed, further mapping/prospecting, ground Induced Polarization (IP) surveying and soil/till sampling will be completed. The prioritization of drill targets will be based on integration of these key datasets. Field work is scheduled to commence in the second quarter and approximately 8,000 m of diamond drilling is planned for the third and fourth quarters of 2018.

Figure 1: To view a regional map of the Pen Gold and Dore Gold project locations, click here: https://www.gfgresources.com/files/design/fig-1_Pen-Gold_Dore-Gold_Regional-Map_March-2018.jpg

Previous Exploration Programs

Although there has been a significant amount of exploration work completed in and around the Timmins gold district, the Pen Gold and Dore Gold properties remain highly under-explored. The Pen Gold project contains the interpreted western extension of the Porcupine-Destor and Pipestone Fault Zones with the same geological setting that hosts the majority of the gold deposits found in the Timmins gold district. The Dore Gold project contains several high strain zones including the extension of prospective Rundle Fault Zone that hosts gold mineralization at the Rundle gold mine eight kilometres east of the property. The Dore Gold project is located several kilometres north of the Ridout Fault Zone that hosts IAMGOLD's Cote Lake gold deposit and the historic Jerome gold mine.

Previous exploration programs in and around the Pen Gold and Dore Gold projects have demonstrated the presence of significant high-grade gold mineralization along the deformation corridors within and/or adjacent to both properties. Many of these intercepts have not seen any follow-up work and they remain to be interpreted in a regional context. Historical highlights include:

- Rapier Gold Inc's 2013 intercept of 13.0 g/t Au over 4.3 m from quartz veining within a section of intensely carbonate-altered ultramafic rocks in the talc mine area of the Pen Gold property;
- Hemlo Gold Mines Ltd. intercept of 43.0 g/t Au over 1.5 m from quartz veins within a section of silicified and sulphidized mafic volcanic rocks within the Deerfoot Deformation Zone on the east portion the Pen Gold property. It has been interpreted that this structure is the extension of the Porcupine-Destor Fault Zone;

- The past producing Joburke gold mine, located only 300 m outside of the limits of the Pen Gold project, has a historic non-compliant resource of 70,000 ounces at 7.0 g/t Au(1). The deformation corridor hosting the Joburke gold mine continues onto the Pen Gold property and is considered highly prospective;
- The Kenty prospect, located only 500 m outside the limits of the Dore Gold property, is known for its very coarse-grained gold and has grab and trench samples with values up to 12.4 and 24.2 g/t Au. The structure that hosts this mineralization and that at the Rundle gold mine, extends onto the Dore Gold property and is also considered highly prospective; and
- Numerous regional gold showings with significant grab samples collected on both properties returned gold values up to 180 g/t.

Figure 2: To view a map of the Pen Gold project showing highlights of previous exploration programs, click here: https://www.gfgresources.com/files/design/Fig-2_Pen-Gold-Project_Historic-Highlights_GFG-Resources_-March-2018.jpg

Other Matters

On March 15, 2018, the Company completed the previously announced shares for debt transactions, in satisfaction of debts owing to two creditors of the Company's wholly owned subsidiary Rapier Gold Inc. The Company issued an aggregate of 271,021 GFG common shares, consisting of 150,000 at a price of C\$0.3333 per share and 121,021 common shares at a price of C\$0.415 per share, in the aggregate amount of C\$100,223.83. All shares issued under the shares for debt transactions are subject to a four month hold period that will expire on July 16, 2018.

Footnote

(1) The reader is cautioned that the above referenced historic non-compliant resource is considered historical in nature and as such is based on prior data and reports prepared by previous property owners. The work necessary to verify the classification of this mineral resource estimate has not been completed and the resource estimate therefore cannot be treated as NI 43-101 compliant resource verified by a Qualified Person. The historical estimate should not be relied upon and there can be no assurance that any of the historical resources, in whole or in part, will ever become economically viable.

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 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. The Company also 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 12,000-hectare Dore Gold Project.

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.

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