

GFG Provides Initial Drill Results from 2021 Phase 1 Drill Program at the Pen Gold Project West of Timmins, ON

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SASKATOON, Saskatchewan, June 29, 2021 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") reports the initial drill results from its recently completed 5,800 metre ("m"), Phase 1 2021 drill program at its 100% owned Pen Gold Project ("Pen" or the "Project") located west of the prolific Timmins Gold District in Ontario.

During its Phase 1 drill program, the Company completed a total of 17 holes at the Slate Rock, R66, Boundary, Keith South and Sewell North prospects (see Figure 1). Assay results for 12 holes have been received and are described herein, with assays for the remaining five holes to be released as they become available.

"Our aggressive Phase 1 drill program was able to confirm several productive gold systems that deserve further attention and drilling," stated Brian Skanderbeg, President and CEO. "Specifically, we are pleased that we were able to demonstrate lateral continuity at Boundary, which is a key test on an early-stage target, and we continued to outline broad zones of gold mineralization at Slate Rock. With further results pending from Sewell North, an aggressive summer field program and a Phase 2 drill program to start in September, we remain excited by and committed to outlining the next discovery on our expansive land position west of the Timmins Gold Camp."

Mr. Skanderbeg added, "In addition to our aggressive exploration programs in Ontario, we look forward to advancing our Rattlesnake Hills Gold Project in Wyoming along with our partner Group 11 Technologies Inc. using a disruptive technology that has the potential to revolutionize the gold mining sector."

[Initial 2021 Phase 1 Drill Program Results](#)

The initial drill results from the Phase 1 drill program are from the Boundary, Slate Rock, R66 and Keith South

prospects (see Table 1 and Figures 1-4). Key points and descriptions of the results are presented below.

Boundary

The Boundary Trend was identified in 2019 through systematic till sampling and follow-up prospecting that outlined six new gold showings along a three-kilometre ("km") trend within the eastern portion of the Project (see Figure 1). Surface rock grab and channel sampling returned up to 11 grams per tonne gold ("g/t Au") associated with quartz veined, carbonate-sericite altered mafic volcanic and intrusive rocks. In 2020, the Company completed six holes along the Boundary Trend and in the westernmost hole, PEN-20-070, two gold zones were encountered in quartz-carbonate-altered and strained mafic volcanic rocks in the footwall of a gabbroic intrusion that returned 4.66 g/t Au over 1.2 m at 190.5 m and 5.02 g/t Au over 0.7 m (see Figure 2).

The Company believes the strain, alteration and structural setting are a strong indicator of a significant gold system and during the 2021 drill campaign tested the strike extension and character of the Boundary West zone with three holes (see Figure 2). All three holes transected the targeted mafic volcanic package and returned gold values up to 0.40 g/t over 5.5 m, 1.36 g/t over 5.0 m, and 5.74 g/t over 0.5 m. The gold mineralization is associated with quartz-carbonate veining, pervasive carbonate alteration and moderate to high strain. In all holes the gold mineralization occurs within or adjacent to a weakly magnetic horizon within the mafic volcanic succession (Fe-tholeiite) which will be used as an important targeting criterion for planned follow-up drilling in this high priority target area.

Slate Rock

Gold mineralization at Slate Rock occurs in a multi-phase diorite intrusion and has been traced intermittently with gold grains in till, surface rock samples and drill core for a strike length of over three km. Exploration has been focused up-ice of boulder samples that returned up to 18.0 g/t Au at the head of a till anomaly that peaked at 220 grains of gold (84% pristine). Initial drilling in 2019 returned significant intercepts associated with intense quartz-sericite-albite alteration, pyrite-magnetite mineralization and quartz-carbonate veining. In 2020, drill hole PEN-20-047, collared 800 m to the west, encountered multiple mineralized zones including a visible gold bearing interval that graded 0.29 g/t Au over 25.5 m including 2.36 g/t Au over 1.0 m.

As part of the 2021 winter drill program, the Company completed three holes to follow-up on this visible gold bearing interval and other areas of structural complexity interpreted from airborne magnetic data beneath Slate Rock Lake (see Figure 3). An additional hole was completed approximately 650 m to the east to test a resistive chargeability anomaly. All drill holes encountered the strongly altered, poly-phase diorite, and returned low-grade mineralization such as 0.22 g/t Au over 20.6 m (PEN-21-082), 0.32 g/t Au over 4.0 m (PEN-21-083), 0.57 g/t Au over 4.5 m (PEN-21-084), and 0.39 g/t Au over 3.9 m (PEN-21-085).

The majority of drilling completed at Slate Rock to date has focused on a 600 m section of the multi-kilometre

regional target. Using recently completed Drone magnetic survey data, on-going analysis will focus on the identification of priority targets elsewhere along this highly prospective, regional scale gold system.

R66

Prospecting efforts in 2020 identified a significant new gold showing, R66, in the west block of the Project in a low-lying area with no documented historic gold exploration or drilling (see news release: "**GFG Identifies New High-Grade Gold Target and Provides Drilling Update at the Pen Gold Project, West of Timmins, ON**"). The recently discovered, northeast-trending quartz-carbonate veining, occurs within highly strained and carbonate altered intermediate to mafic volcanic rocks and has returned outcrop grab sample results up to 8.39, 11.10, 21.60 and 65.90 g/t Au. Veining occurs proximal to a prominent mafic-ultramafic contact and along a northeast structural corridor that shows a distinct magnetite destruction signature.

The Company tested both the veins discovered on surface and one of the regional targets along the one-kilometre corridor (see Figure 4). Drill hole PEN-21-086, testing beneath the outcropping mineralization, encountered quartz-carbonate veins in sheared mafic volcanic horizon that returned up to 2.26 g/t Au over 0.7 m. Other nearby holes did not intersect significant veining within the mafic volcanic horizon and returned only weakly anomalous gold values. The system remains open to the north where the Company will prioritize future drilling.

Keith South

Prospecting along the south shoreline of Keith Lake in 2019 identified a highly strained and carbonate altered zone of mafic volcanic and intrusive rocks in proximity to polymictic conglomerate. These features are analogous to those in the main Timmins Camp and Borden Gold Project, where the conglomerates are thought to mark geological structure important to gold mineralization. The Company completed one drill hole to test this high strain zone that marks a property-scale sedimentary basin bounding structure (see Figure 4). Drill hole PEN-21-090 encountered highly strained and pervasively carbonate altered gabbroic rocks near the top of the hole that returned 1.28 g/t Au over 1.3 m and 2.20 g/t Au over 1.0 m. While these zones are subeconomic, the results are significant in that they demonstrate this basin bounding structure is productive and deserves consideration for further drill testing.

Sewell North

Reconnaissance drilling at the Sewell North Prospect in 2020 identified a new gold zone along a parallel structure approximately one km north of the Sewell Prospect. Hole PEN-20-054 encountered a quartz-carbonate vein system in strongly sheared and altered diorite that returned 4.56 g/t Au over 0.7 m at 15.7 m downhole. Initial follow-up drilling has confirmed that the style of veining and alteration is analogous to the Sewell Prospect which has returned values up to 33.80 g/t Au over 1.05 m.

From a structural study of recently completed drone magnetic survey data, the Company completed three holes to

test two priority structural targets. Drill hole PEN-21-096, drilled at the easternmost end of the Sewell North prospect, encountered three zones of interest. The upper zone consists of approximately 10 m of pervasively silicified diorite with dissemination and clots of pyrite. The middle zone had a 10 m interval of highly strained diorite that is flanked by 0.5 to 1.0 m wide quartz carbonate veins with disseminated pyrite. The lower zone had an 11 m interval of felsic intrusion that is highly altered and flanked by 0.8 to 2.0 m wide quartz veins with trace pyrite and chalcopyrite. Assays remain outstanding.

Outlook

The Company expects to receive the remaining assay results from the 2021 Phase 1 drill program in the coming weeks and will provide an update once received. Over the coming months, the Company will continue to prioritize its focus on the Pen Gold Project with a robust summer field program that will include prospecting, till sampling and sonic overburden drilling to collect samples deeper in the till profile to assist in vectoring to the source of the significant till anomalies. Following the summer field season, the Company anticipates starting its 2021 Phase 2 drill program at the Pen Gold Project in September with approximately 4,000 m of drilling.

In addition to its activities in Canada, the Company expects to close its previously announced partnership with Group 11 Technologies Inc. (see news release: **“GFG Signs Option Agreement with Group 11 Technologies to Advance the Rattlesnake Hills Gold Project with Disruptive Technology”**) to advance its 100% owned Rattlesnake Hills Gold Project in Wyoming. The Company expects Phase 1 metallurgical testing to begin in the third quarter and will provide updates as they become available.

Table 1: Initial Results from the 2021 Phase 1 Drill Program at the Pen Gold Project

Hole ID	From	To	Interval (m)	Au (g/t)	Target
PEN-21-082	69.4	90.0	20.6	0.22	Slate Rock
incl	85.0	90.0	5.0	0.45	
and	151.2	151.7	0.5	0.75	
and	238.0	239.0	1.0	0.91	
and	286.9	293.5	6.6	0.23	
PEN-21-083	112.0	116.0	4.0	0.32	R66
and	217.7	218.4	0.7	0.89	
and	222.5	226.0	3.5	0.31	
PEN-21-084	233.1	237.7	4.6	0.30	
and	269.0	273.5	4.5	0.57	
PEN-21-085	103.0	105.5	2.5	0.40	Keith South
and	117.4	122.8	5.4	0.20	
and	170.3	174.2	3.9	0.39	
and	189.0	194.0	5.0	0.22	
PEN-21-086	63.7	64.4	0.7	2.26	
PEN-21-087			no significant assays		TMN Boundary
PEN-21-088			no significant assays		
PEN-21-089	73.8	75.2	1.5	0.35	
PEN-21-090	38.5	39.5	1.0	1.28	
and	44.2	45.2	1.0	2.22	
PEN-21-091			no significant assays		TMN Boundary
PEN-21-092	121.5	127.0	5.5	0.40	
and	136.5	137.0	0.5	1.07	
and	140.0	142.5	2.5	0.63	
and	171.5	172.5	1.0	0.97	

and	203.0	207.0	4.0	0.55
and	242.8	243.8	1.0	2.07
PEN-21-093	211.0	216.0	5.0	1.36
and	223.0	225.0	2.0	1.65
incl	223.0	223.5	0.5	5.74
PEN-21-094	176.5	177.6	1.1	1.13
and	212.9	214.0	1.1	1.93

*Gold intervals reported in the above table are at 0.2 g/t cut-off and a minimum 0.5 gram per metre product. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 70-90% of drilled thickness.

Figure 1: Plan Map of Regional Targets on the Pen Gold Project

<https://www.globenewswire.com/NewsRoom/AttachmentNg/6e58ed32-812d-42f0-9e69-9406c74bb935>

Figure 2: Plan Map of the Boundary West Prospect with Drill Hole Locations

<https://www.globenewswire.com/NewsRoom/AttachmentNg/dc2a6614-6329-4f13-903c-2bdb441e6148>

Figure 3: Plan Map of the Slate Rock Prospect with Drill Hole Locations

<https://www.globenewswire.com/NewsRoom/AttachmentNg/cb69a24a-66bb-428f-90fd-857022bf7593>

Figure 4: Plan Map of R66 and South Keith Prospects and Drill Hole Locations

<https://www.globenewswire.com/NewsRoom/AttachmentNg/f78f8514-6b42-4f6c-9dc0-025b53e64699>

About the Pen Gold Project

The Pen property is located approximately 40 km west of the prolific Timmins Gold District in Ontario. The contiguous land package, one of the largest in the region, consists of approximately 475 square km and is situated between Newmont's Borden Gold Mine and Pan American Silver's Timmins West Mine. The Project covers an approximately 55-kilometre-long section of Archean greenstone that contains the interpreted western extension of the Porcupine-Destor Fault Zone within the same geological setting that hosts many of the gold deposits found in the Timmins Gold Camp.

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

Drill core samples are analyzed for gold by Activation Laboratories Ltd. in Timmins, Ontario. Gold analysis consists of the preparation of a 500-gram pulp and an assay of a 50-gram aliquot by Pb collection fire assay with an Atomic Absorption Spectrometry finish (Package 1A2-50). Samples assaying above 5 ppm Au are routinely re-run using a gravimetric finish (Package 1A3-50). Mineralized zones containing visible gold are analyzed by a screen metallic fire assay method. Selected samples are also undergoing multi-element analysis for 59 other elements using a four-acid digestion and an ICP-MS finish (Package MA250) by Bureau Veritas Commodities Canada Ltd. in Vancouver, British Columbia. Quality control and assurance measures include the monitoring of results for inserted certified reference materials, coarse blanks and preparation duplicates of drill core.

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.