

GFG Provides Update on Exploration Activities at the Pen Gold Project West of Timmins, Ontario

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SASKATOON, Saskatchewan, May 18, 2021 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") provides an update on its on-going exploration program at its 100% owned Pen Gold Project in Ontario, Canada.

The Pen Gold Project 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 Pen Gold 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.

In 2021, the Company plans to drill 8,000 – 10,000 metres in two phases and complete additional till sampling and drone geophysics in regions where the Company is focusing follow-up drilling. (see news release: "**GFG Provides Results from 2020 Phase 2 Drill Program and Begins 4,000 m Drill Program at the Pen Gold Project West of Timmins, ON**"). The aggressive 2021 exploration program at the Pen Gold Project is budgeted to be approximately C\$3 million.

Year to Date Highlights:

- From February to May, safely and successfully completed the Phase 1 drill program consisting of approximately 5,800 metres of drilling from 17 holes (see Figure 1).
- Follow-up drilling was completed at the Slate Rock (4 holes) and Boundary (3 holes) prospects where the Company successfully intersected zones of gold mineralization in 2020.

- Tested three new targets for discovery at the R66 (5 holes), Keith Lake (1 hole), TMN (1 hole), and Sewell North (3 holes) prospects that were developed by the Company in 2020. None of these targets had historic drilling.
- 15 of 17 holes have been sent to the lab for analysis. Expected timeline to completion of all assays are on the order of 4-6 weeks.
- At the Slate Rock and Boundary regions, completed a pilot program of 21 sonic overburden drill holes to collect samples deeper in the till profile to assist in vectoring to the source of the significant till anomalies.
- Completed 770 line-kilometres of drone magnetic survey over the Slate Rock and R66 regions to improve the structural modelling, support prioritization of drill targets and generate new targets in the underexplored region.

Brian Skanderbeg, President and CEO of GFG stated, “Our strategy for the Phase 1 drill program was to follow up on priority targets that had delivered positive results from previous drilling and to test several new targets. Our Pen Gold Project remains highly underexplored and we are optimistic that the current program will continue to demonstrate the discovery potential that exists on our Timmins land package.”

Brian added, “In addition to a very active program in Timmins, we look forward to working with Group 11 this summer on their initial metallurgical testing phase at our Rattlesnake Hills Gold Project. We are confident that they will demonstrate positive test results and advance their proprietary technology to revolutionize the gold mining industry.”

Outlook

Over the coming months, the Company will provide assay and till sampling results as they become available. Following receipt of the exploration results, the Company will evaluate the results and prioritize drill targets for its Phase 2 drill program, which is scheduled to commence in the third quarter of 2021. The Company remains well financed with approximately C\$2.5 million in cash.

At the Rattlesnake Hills Gold Project, the Company anticipates its partner, Group 11 Technologies Inc. (“Group 11”) (see news release: **“GFG Signs Option Agreement with Group 11 Technologies to Advance the Rattlesnake Hills Gold Project with Disruptive Technology”**), will complete their on-going financing in the coming weeks. Following the completion of the financing, Group 11 will immediately initiate metallurgical test work on historic core to assess gold recoveries using the patented, cyanide-free and water-based, EnviroLeach solution. Following Phase 1 metallurgical testing, Group 11 may complete additional metallurgical test work by drilling one or more holes at the Rattlesnake Hills Gold Project. The 2021 program and associated project costs will be managed and funded by Group 11.

Figure 1: Pen Gold Project Phase 1 Drill Targets Overview

<https://www.globenewswire.com/NewsRoom/AttachmentNg/7b6035b7-ad28-4280-9f9f-5a0ee3cf4c0e>

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 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. In Wyoming, the Company has partnered with Group 11 Technologies Inc. through an option and earn-in agreement to advance the Company's Rattlesnake Hills Gold Project with disruption technology that could revolutionize the gold mining industry. 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., serves as President and CEO of GFG, and is a "qualified person" within the meaning of National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Skanderbeg has reviewed the respective core intervals, sampling and QA/QC procedures and results thereof as verification of the historical drilling data disclosed above and has approved the information contained in this news release.

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, disclosure regarding possible events, the Agreement and proposed activities thereunder (the “Transaction”), exploration plans for the Project and expected results, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; planned use of proceeds, expenditures and budgets and the execution thereof. 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 current exploration and other objectives concerning its mineral projects can be achieved and that its other corporate activities will proceed as expected; that the current price and demand for gold will be sustained or will improve; the continuity of the price of gold and other metals, economic and political conditions and operations; that all conditions precedent to the Transaction, including requisite regulatory approval will be fulfilled in a timely manner and on acceptable terms; and that general business and economic conditions will not change in a materially adverse manner.

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: risks and uncertainties related to the Transaction not being completed in the event that any of the conditions precedent thereto are not satisfied; 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

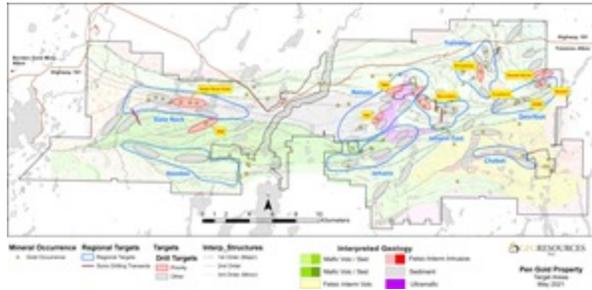
environment. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements in this news release are made as of the date hereof and GFG assume no obligation to update any forward-looking statements, except as required by applicable laws.



Source: GFG Resources Inc.

Figure 1: Pen Gold Project Regional Map of Drill Targets



GFG Resources' Pen Gold Project located 40 km west of the prolific Timmins Gold District