

GFG Resources Begins Drilling at Rattlesnake Hills Gold Project, Wyoming

11/1/2016

SASKATOON, SK -- (Marketwired) -- 11/01/16 --

GFG Resources Inc. (TSX VENTURE: GFG) ("GFG" or the "Company") is pleased to announce that it has received all required permits to begin drilling at its 100% owned Rattlesnake Hills Gold Project in central Wyoming, United States. As part of its Phase II exploration program, the Company has initiated a 5,000 to 7,500 metre drill program that will focus on the direct extensions and proximal analogies at the North Stock and Antelope Basin deposits and the Black Jack target. The drill program will utilize two reverse circulation rigs and one core rig and will be completed in the fourth quarter of 2016.

Brian Skanderbeg, President and CEO, commented, "We are excited to initiate an aggressive fourth quarter drill program at our Rattlesnake Hills Gold Project. We have analyzed a significant amount of historical data and have completed our Phase 1 exploration program, which included a field program comprised of soil sampling and an airborne VTEM survey paired with detailed geological and structural mapping. The objective of the Phase II drill program will be to test direct extensions of known mineralization and proximal targets with a goal to expand the footprint of the mineralized systems. In addition to our drill program, we will conduct further soil sampling and analysis of historical and newly generated data to develop new target areas within our 33,500 acre land package at the Rattlesnake Hills Gold Project."

2016 Drill Program

The Phase II drill program of 5,000 to 7,500 metres will focus on the following targets:

North Stock: Precious metal mineralization at North Stock is hosted in breccia, phonolite and schist and has been

defined by historic drilling in a broad, 100 metre by 300 metre tabular mineralized zone, extending over 500 metres deep. The Company will test extensions to the known mineralization to the northeast and southwest. In addition, infill holes are planned to test the area between Antelope Basin and North Stock where previous drilling intersected significant gold intervals in broadly spaced holes. Holes have also been designed to test a strong IP anomaly located to the southwest of North Stock and to test geochemical anomalies in soils and possible extensions of mineralization on the western side of North Stock. Highlights from historic drilling at North Stock include 1.85 grams of gold per tonne over 236.2 metres core length (Hole RSC-007), 1.58 grams of gold per tonne over 216.4 metres core length (Hole RSC-132) and 9.73 grams of gold per tonne over 55.7 metres core length (Hole RSC-020). The system remains open to the north, west and south toward the Antelope Basin deposit.

Antelope Basin: The mineralization at Antelope Basin is hosted by a quartz monzodiorite dike and remains open along strike to the northeast as well as the southwest. These possible extensions will be tested with the proposed program. Historic drilling at Antelope Basin demonstrates broad zones of low grade, as well as narrow discrete zones of high grade gold and silver mineralization. Mineralization at Antelope Basin has been defined over an area of 200 metres by 350 metres and to a depth of 200 metres. Highlights from the historic drilling at Antelope Basin include 1.91 grams of gold per tonne over 76.2 metres core length (Hole RSC-042), 1.21 grams of gold per tonne over 97.5 metres core length (Hole RSC-019) and 1.63 grams of gold per tonne over 77.7 metres core length (Hole RSC-078).

Black Jack: Gold mineralization at Black Jack is more typical of a low sulphidation epithermal system and is hosted within a rhyolite breccia emplaced along the North Granite Mountain Fault zone and within the underlying Precambrian granite and gneiss. The Black Jack target has had a limited amount of drilling, eight holes, and highlights include 1.33 grams of gold per tonne over 33.5 metres from surface (Hole NVJ-001) and 0.74 grams of gold per tonne over 13.7 metres core length (Hole NVJ-008). The Black Jack mineralization remains open at depth, down-dip and along strike and the drill program is designed to test the extensions of this mineralization. The program will also test coincident soil anomalies (Au, Ag, and As) to the northwest and northeast of the historic drilling.

The Company expects to complete the Phase II exploration program by the first quarter of 2017 at a cost of approximately U.S.\$2.0 million. The exploration expenditures will be funded with the Company's current working capital.

With the newly consolidated land package and positive results from the on-going exploration program, the Company is confident that the property hosts compelling targets outside of the known mineralized zones at North Stock, Antelope Basin and Black Jack. As such, and in conjunction with the current drill program, the Company will conduct further soil sampling and evaluate new and historical data to generate and prioritize regional target areas

for further drill testing in 2017.

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.

GFG Resources Inc. is a publicly traded gold exploration company headquartered in Saskatoon, Saskatchewan, Canada, whose shares trade on the Toronto Venture Stock Exchange (TSX VENTURE: GFG). The Company owns 100% of the Rattlesnake Hills Gold Project, a district scale gold exploration project located approximately 100 kilometers 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 the United States will continue to support the development of mining projects in the United States. In addition, the similarity or proximity of other gold deposits of the Rocky Mountain alkaline province to the Rattlesnake Hill Gold Project is not necessary indicative of the geological setting, alteration and mineralization of the Rattlesnake Hills 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 assume 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.