

# GFG Resources Completes Second Tranche of Private Placement

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SASKATOON, Saskatchewan, Jan. 11, 2018 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSX-V:GFG) (OTCQB:GFGSF) ("GFG" or the "Company") is pleased to announce that it has closed the second tranche of its non-brokered private placement (the "Concurrent Financing") previously announced on December 11, 2017, for gross proceeds of C\$2,745,000. The total gross proceeds raised in the Concurrent Financing was C\$6,973,305.

In combination with the first tranche which closed on December 21, 2017, the Company issued a total of 5,460,555 flow-through common shares at a price of C\$0.55 per share for gross proceeds of C\$3,003,305 (the "FT Private Placement") and 7,940,000 units at a price of C\$0.50 per unit for gross proceeds of C\$3,970,000 (the "Non-FT Private Placement"), with each unit consisting of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at an exercise price of C\$0.75 for a period of 24 months from their respective date of issuance.

Gross proceeds raised under the FT Private Placement will be used for exploration activities in Ontario that will qualify as "Canadian Exploration Expenses". Net proceeds raised under the Non-FT Private Placement will be used for exploration activities at the Company's projects in Wyoming and Ontario as well as for general working capital purposes. The securities issued pursuant to the Concurrent Financing are subject to a restricted period of four months and a day, from their respective date of issuance under applicable Canadian securities legislation.

The Company paid cash finder's fees to certain arm's length finders of up to 6% of the gross proceeds of the Concurrent Financing. The Concurrent Financing is subject to final approval by the TSX Venture Exchange.

## Early Warning

Probe Metals Inc. ("Probe") purchased 600,000 units of GFG, and now beneficially owns and controls 7,077,883 common shares and 300,000 warrants of GFG which represents approximately 10.2% of GFG's issued and outstanding common shares on a partially diluted basis. Probe has acquired the GFG shares pursuant to the private placement for investment purposes. Probe may, depending on market and other conditions, increase or decrease its ownership of securities of GFG, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

In satisfaction of the requirements of National Instrument 62-104 – Take-Over Bids and Issuer Bids and National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, an early warning report respecting the acquisition of common shares and warrants by Probe will be filed under GFG's SEDAR Profile at [www.sedar.com](http://www.sedar.com).

## 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 and approved the information contained in this news release.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States unless an exemption from such registration is available.

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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 60,450 acre West Porcupine gold property and the 29,650 acre Swayze gold property.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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, completion of the second tranche of the Concurrent Financing, 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;; all necessary approvals and consents in respect of the Concurrent Financing, including requisite regulatory, securityholder and court approvals, as applicable, will be obtained in a timely manner and on acceptable terms; and that general business and economic conditions will not change in a materially adverse manner. In addition, the similarity or proximity of other gold deposits of the Rocky

Mountain alkaline province to the Rattlesnake Hill Gold Project is not necessarily 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: risks and uncertainties related to the second tranche of the Concurrent Financing not being completed; 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.