

GFG Signs Option Agreement with Group 11 Technologies to Advance the Rattlesnake Hills Gold Project with Disruptive Technology

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SASKATOON, Saskatchewan, April 14, 2021 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) ("GFG" or the "Company") is pleased to announce that it has signed an option and earn-in agreement (the "Agreement") with Group 11 Technologies Inc. ("Group 11"), a privately-owned corporation, to advance GFG's Rattlesnake Hills Gold Project (the "Project") in Wyoming, United States. Under the terms of the Agreement, Group 11 has the right to acquire, in multiple stages, up to 70% of the Project by completing a series of exploration and development expenditures ("Expenditures") summarized below and making staged cash and equity payments to GFG.

Group 11 is led by a group of technical pioneers and experts in the development and application of in-situ recovery ("ISR") with significant experience operating in Wyoming. Group 11's goal is to combine, a non-invasive extraction technology with an environmentally friendly water-based chemistry to recover gold and other metals, providing an alternative development path to conventional open pit and underground mineral extraction. To learn more about Group 11, please visit their website at www.gr11tech.com.

"We are excited to have entered into a partnership with Group 11 to advance our Rattlesnake Hills Gold Project and be part of a technology that could revolutionize the gold mining industry," stated Brian Skanderbeg, President and CEO of GFG. "Our Project is the ideal asset to test and optimize Group 11's technology given the character of the systems, significant zones of gold mineralization and the established permitting path for ISR mining in Wyoming. This is an exciting development for our shareholders and stakeholders as we work with our partners to develop and apply ISR technology to gold systems. Over the last several decades, this technology has been successfully applied in both uranium and copper mining, driving significantly reduced development timeframes, lower capital

intensity and materially reduced environmental impacts. We believe it to be equally applicable to the gold space.”

“Group 11 is very excited to establish its first anchor project with GFG and the Rattlesnake Hills Gold Project. Rattlesnake hosts all the necessary parameters, in a well-established jurisdiction, to test and apply the combination of ISR technology and our exclusive use of EnviroLeach’s non-cyanide water-based chemistry for ISR applications,” said Janet Lee-Sheriff, President of Group 11. “We already have successfully tested the EnviroLeach non-cyanide chemistry on sulfide concentrates and achieved optimal results in shorter timelines than cyanide. The recyclability of the environmentally-friendly chemistry makes it an attractive ingredient in ISR technology and a promising alternative to cyanide for gold recovery. Group 11 will commence first stage lab test work on drill core in the summer of 2021 and we look forward to advancing our work to develop potential new solutions for the mineral extraction industry.”

Terms of the Agreement

Under the terms of the Agreement, Group 11 has a right to earn 70% interest in the Project over a period of up to seven and a half years by:

- Spending a minimum of US\$9.5 million in Expenditures.
- Paying 100% of holding and maintenance costs related to the Project.
- Covering all Expenditures to advance the Project into commercial production.
- Making staged equity payments to GFG of Group 11 common stock of up to 9.9% of Group 11’s common shares issued and outstanding on a fully-diluted basis.
- Making a cash payment of US\$7.5 million.

Summary of Agreement Stages

Milestone	Compensation	Deliverable	Equity
Execution of Agreement	US\$50,000 non-refundable cash payment to GFG		
Closing of Agreement	Pro-rata payment of 2020-2021 assessment year claim holding and maintenance costs		0%
Stage 1 Option Phase (12 months)	100% of claim holding and maintenance costs	Minimum Expenditure of US\$500,000(1) Column tests on historic core PQ drilling and further column tests (if required)	0 %
Stage 2: Option Phase (18 months)	100% of claim holding and maintenance costs 1.5% common stock of Group 11	Minimum Expenditure of US\$1.0 million(1) Conduct 5-spot well testing	0 %
Stage 3: Earn-In Phase (2 years)	100% of claim holding and maintenance costs 3.5% common stock of Group 11 (capped at US\$4.0 million)	Minimum Expenditure of US\$8.0 million(1) 100% of development costs and achievement of commercial production(2)	51%
Stage 4: JV Interest Option (within 12 months of commercial production)	US\$7.5 million cash payment to GFG 4.9% common stock of Group 11 (capped at US\$6.0 million)		70%

(1) Minimum expenditures exclude holding and maintenance costs.

(2) Commercial production is deemed as a rate of not less than 50% of the feasibility study-rated annual capacity.

Additional terms:

- Closing of the Agreement is conditional upon Group 11 raising a minimum of US\$1.5 million within 45 days after the execution of the Agreement.
- The Agreement contains pre-emptive rights provisions should either party elect to sell its interest in the Project.
- Group 11 has the option to extend any stage for 12 additional months by making a US\$500,000 cash payment to GFG.
- Group 11 will act as manager of the Project.

Live Webcast – April 15, 2021

Management of GFG and Group 11 will host a webcast on Thursday, April 15 at 10:00 am Eastern Standard Time (7:00 am Pacific Standard Time) to discuss the Agreement, Group 11's innovative technology, the upcoming programs and to answer any questions from shareholders. Shareholders, analysts, investors and media are invited to join the live webcast by registering using the link below.

Link: <https://6ix.com/event/gfg-and-group11/>

After registering, you will receive a confirmation email containing details to access the webinar via conference call or webcast.

A replay of the webcast will be available following the conclusion of the call.

About The Rattlesnake Hills Gold Project

The Rattlesnake Hills Gold Project is a district-scale gold exploration project located in central Wyoming, approximately 100 kilometres southwest of Casper. Geologically, the Project is centrally located within a roughly 1,500-kilometre-long belt of alkalic intrusive complexes that occur along the eastern side of the Rocky Mountains from Montana to New Mexico, several of which are associated with multiple gold deposits.

The Project has approximately 100,000 metres ("m") of historic drilling which has outlined three significant zones of alteration and precious metal mineralization that are associated with Eocene age alkalic intrusions at North Stock, Antelope Basin and Blackjack. The majority of the drilling has focused on near-surface, open pit mineralization in

the North Stock and Antelope Basin deposits with highlights that include intercepts(3) of 1.85 grams of gold per tonne (g/t Au) over 236.2 m hole length; 4.20 g/t Au over 77.7 m hole length; 2.08 g/t Au over 150.9 m hole length and 0.82 g/t Au over 99.1 m hole length. In addition to the outlined zones of mineralization, the Company believes that the district is highly prospective and has outlined several kilometre-scale greenfield targets that have never been drill tested. These greenfield targets were generated from the Company's geophysical and geochemical programs and host strong similarities to the North Stock and Antelope Basin systems.

(3) Gold intervals reported are based on a 0.20 g/t or 0.50 g/t Au cutoff. Weighted averaging has been used to calculate all reported intervals. True widths are estimated at 60-100% of drilled thicknesses.

About Group 11 Technologies Inc.

Group 11 is a private US-based company committed to the development and application of environmentally and socially responsible precious metals mineral extraction. The combination of in-situ recovery extraction ("ISR") technology and environmentally friendly water-based chemistry to recover gold and other metals provides a promising alternate solution to conventional open pit and underground mineral extraction. The goal of advancing sustainable extraction considers growing concerns surrounding water use and discharge, carbon footprint, energy consumption, community stakeholders and workplace safety while addressing a growing global need for metals in our daily lives. Group 11 was founded by EnviroLeach Technologies Inc. (CSE: ETI; OTCQB: EVLLF), Encore Energy Corp. (TSXV: EU; OTCQB: ENCUF) and Golden Predator Mining Corp. (TSXV: GPY; OTCQB: NTGSF).

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. 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, United States. 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.

For further information, please contact:

GFG Resources Inc.

Brian Skanderbeg, President & CEO

or

Marc Lepage, Vice President, Business Development

Phone: (306) 931-0930

Email: info@gfgresources.com

Website: www.gfgresources.com

Group 11 Technologies Inc.

Janet Sheriff, President

Phone: (214) 304-9552

Email: info@gr11tech.com

Website: www.gr11tech.com

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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.

Quality Analysis and Quality Control

The quality analysis and quality control measures utilized by Evolving Gold Corp. in respect of the historical drilling data disclosed above included the following: drill hole intervals were weighted averages with each assay interval weighted according to the core length. Rigorous quality assurance and quality control procedures were implemented including routine insertion of internal standard reference materials, certified reference materials, blank material and duplicate samples from both crush and pulp material. Gold assays were completed by SGS Canada Inc. in Toronto, using a 30-gram charge, fire assay, with an ICP finish. SGS Canada laboratory in Toronto is ISO accredited.

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.

