

NEWS RELEASE

GFG and Group 11 Technologies Set to Begin Phase 1 Program to Advance the Rattlesnake Hills Gold Project with Disruptive Technology

7/26/2021

SASKATOON, Saskatchewan, July 26, 2021 (GLOBE NEWSWIRE) -- GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) (“GFG” or the “Company”) is pleased to announce that it has closed the previously announced 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 (see news release: **“GFG Signs Option Agreement with Group 11 Technologies to Advance the Rattlesnake Hills Gold Project with Disruptive Technology”**). 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.

“We are thrilled to see the investor support for Group 11 as it embarks on the initial stages of testing at our Rattlesnake Hills Gold Project with a technology that could revolutionize gold mining,” stated Brian Skanderbeg, President and CEO of GFG. “The Phase 1 program will begin shortly and over the coming months, Group 11 will conduct metallurgical test work on historic core with the possibility of testing new core from priority sections of the deposit. We are optimistic that the Phase 1 program will demonstrate that the non-cyanide, water-based solution can effectively recover gold and will be the first step in proving that this technology can be successfully applied to the gold industry.”

The Phase 1 program is designed to conduct staged metallurgical tests on core samples from across a broad range of mineralization and grade profiles. The objective will be to assess the amenability and recovery rates for extracting gold from the core using the eco-friendly water-based solution. The tests that will be completed include saturation testing of uncrushed core followed by column testing of different crush sizes of core on promising zones from initial saturation testing. Additional studies will be conducted on a wide variety of parameters based on a comprehensive characterization

of the site, including the mineralization and environmental setting, to enable a full assessment for the application of in-situ recovery (“ISR”) potential. The Phase 1 program is scheduled to begin in the coming weeks and testing is expected to be completed in the fourth quarter. Results from the Phase 1 program will be announced as they become available.

Group 11 is led by a group of technical pioneers and experts in the development and application of 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, heap leach open pit and underground mineral extraction. To learn more about Group 11, please visit their website at www.gr11tech.com.

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 five 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:

- 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.

Register for Live Webcast – July 26, 2021

Management of GFG and Group 11 will host a webcast on Monday, July 26, 2021, at 2:30 pm Eastern Standard Time (11:30 am Pacific Standard Time) to discuss 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://my.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 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 at 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. Drilling has outlined the North Stock deposit to be approximately 750 m by 125 m wide to a depth of 500 m while the Antelope Basin deposit is approximately 350 m by 50 m wide to a depth of 200 m. Both the North Stock and Antelope Basin deposits are near surface, oxidized, disseminated and expandable. At both deposits, gold occurs under relatively accessible topography, an important consideration for ISR development. In addition to the outlined zones of mineralization, the district remains highly prospective with several kilometre-scale greenfield targets that have never been drill tested.

(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:

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or

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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.