

Release: Immediate

GFG Expands and Identifies New Gold Anomalies and Completes Phase 1 Drill Program at the Pen Gold Project West of Timmins, ON

April 24, 2019, Saskatoon, Saskatchewan, Canada: GFG Resources Inc. (TSXV: GFG) (OTCQB: GFGSF) (“GFG” or the “Company”) is pleased to announce the results from its Phase 2 regional till sampling program which has successfully confirmed and extended regional gold targets and outlined new highly prospective areas at its 100% owned Pen Gold Project (“Project”) in Ontario, Canada. The Project is located 40 kilometres west of the prolific Timmins Gold Camp and is part of a consolidated, underexplored land package of approximately 680 square kilometres that includes the Dore Gold Project.

Highlights:

- Follow-up sampling 200 metres (“m”) up-ice of the Slate Rock anomaly encountered a significant increase in gold grain counts, to 220 gold grains, of which 83% were pristine shaped, signaling the sample may be close to the source of gold mineralization – initial drilling in this region has just been completed in the Phase 1 drill program;
- Follow-up sampling in the Jehann region verified and expanded the gold anomaly 425 m northeast with multiple results returning above threshold anomalies and highlighted by 93 gold grains of which 80% were pristine shaped;
- Widely-spaced till samples were taken in the Reeves region and returned highly anomalous counts of pristine gold grains with a peak anomaly of 91 gold grains of which 78% were pristine shaped; and
- The Company has completed the 2019 Phase 1 drill program consisting of 4,400 m from 15 holes testing targets in the Jehann, Reeves, Slate Rock and Deerfoot regions. Results are anticipated to be released during Q2 2019.

Brian Skanderbeg, President and CEO, commented, “These recent till sampling results reinforce the prospectivity of the region with increased counts of highly pristine gold grains. We are excited that follow-up sampling results in the Slate Rock and Jehann areas generated stronger anomalies, giving us confidence that we may be closing in on the bedrock source. The results also demonstrate how underexplored our land package is. With very limited outcrop on the Pen Gold Project, the till sampling program is generating new targets that we would not have identified with traditional exploration techniques. With a strong geological model of the district, numerous prospective targets and a successful first drill program including a new discovery in hand, we are confident that we will continue to discover new zones of gold mineralization.”

Till Sampling Explained – A Useful Regional Geochemistry Tool for Targeting

In 2017 and 2018, the Company consolidated the 475 square kilometre Pen Gold Project with the belief that the property had significant potential to host multiple gold deposits. Due to its large size and that less than 5% of the property has exposed bedrock, the Company prioritized till sampling to identify regional gold targets. Till is a sediment deposited on the surface during glaciation and typically contains fragments reflective of near-by bedrock. The main objective of the till sampling

program is to identify highly anomalous numbers of pristine gold grains that are indicative of significant undiscovered mineralization in areas of limited exposure. Till sampling has never been broadly utilized in this area and the technique provides a new layer of data that is vital to define new exploration targets. See Figure 1 for a basic depiction of glacial till processes.

The results of the 2018 till sampling programs ranged from 0 up to 250 gold grains per till sample. Based on the analysis of the distribution of gold grains collected at the Project, it was determined the background number of gold grains in a 10 kilogram till sample was 20 gold grains, and the significant anomaly threshold was determined to be 30 gold grains per 10 kilogram till sample.

Phase 2 Till Sampling Results

The Phase 2 till sampling program completed during the fall of 2018 aimed to refine gold anomalies identified during Phase 1 sampling at Slate Rock, Jehann, Hoodoo, Chabot and Deerfoot (see news release “[*GFG Outlines 5 Priority Targets from Regional Till Sampling Program at the Pen Gold Project Near Timmins, ON*](#)”) and to extend regional coverage over large unsampled areas (Reeves and Broadway). Of the 467 sites sampled to date from across the 475 square kilometre property, 70 till samples have values that exceed regional background of 20 gold grains. These anomalous samples are grouped into 6 regional target areas: Jehann, Reeves, Deerfoot, Chabot, Slate Rock, Hoodoo and Broadway (see Figures 2 and 3).

The Phase 2 program successfully verified highly anomalous grain counts at Jehann and Slate Rock returning values up to 93 and 220 gold grains, respectively. Importantly, as with the original samples at these locations, a high percentage of pristine gold grain shapes suggest a nearby mineralized bedrock source which is supported by the relatively thin layer of till and overburden, 1 to 20 m, that cover the area. The Company also completed a first pass till sampling program confirming the regional prospectivity of the Reeves area returning highly anomalous numbers of gold grains (78 pristine grains).

Jehann

In the eastern portion of the property at Jehann, a follow-up till sample collected 425 m to the northeast of the original anomalous sample returned a highly anomalous 93 gold grains, 80% of which have pristine shapes (see Figure 2). Combined with Phase 1 results of up to 250 gold grains, the anomaly now extends over approximately 1.5 kilometres in strike length. Evaluation of the corresponding geochemical data reveals that the gold grain anomalies are also elevated in silver, tellurium and bismuth consistent with nearby bedrock samples. As part of the Phase 1 drill program, several holes were completed to test various structural orientations in this area that hosts multiple splays of the Porcupine-Destor Fault Zone.

Slate Rock

In the western portion of the property, at Slate Rock, a 5-kilometre-long till gold grain anomaly is associated with the intersection of a first-order regional shear zone and northeast-trending second-order shear zones (see Figure 3). Phase 2 till sampling extended the previously identified anomaly 200 m up-ice to the northeast returning 220 gold grains, 84% of which have pristine shapes suggesting that the bedrock source may be near the sample. Several altered and mineralized porphyry intrusives occur in the area with historic rock samples returned up to 4.81 grams of gold per tonne (“g/t Au”) in outcrop, up to 18.10 g/t Au in boulders, and up to 1.3 g/t Au over 1.4 m in drill core. The Phase 1 2019 drill program tested this regional target at several locations to identify the bedrock source to the anomaly in this area of extensive till cover. There has been one historic drill hole testing this target area that is 2 by 2 kilometres in size.

Reeves

In the Reeves area, regionally-spaced till samples have returned highly anomalous counts of pristine gold grains (91 gold grains; 78% pristine) confirming regional prospectivity (see Figure 2). This area is of particular geological interest due to the presence of multiple northeast to east trending structural corridors that contain quartz-feldspar porphyry intrusions and deformed polymictic conglomerate horizons believed to be correlative to Timiskaming conglomerates. Similar structures mark important mineralizing corridors within the central Timmins gold camp. In the recently completed 2019 Phase 1 drill program, several holes were drilled to test various structural, geophysical and alteration signatures in the vicinity of this till anomaly.

Deerfoot

Within the Deerfoot target area, till samples collected during the initial phase of sampling returned up to 72 pristine gold grains (>80% of total grain count). This highly anomalous sample was collected 900 m to the south of gold mineralization at the Sewell Prospect confirming a southward till transport direction (see Figure 2). Historic drilling of this occurrence returned values up to 60.2 g/t Au over 1.3 m associated with pyrite-bearing quartz veins in sheared mafic intrusive rocks. The recently discovered gold zone at Crawford which returned 21.26 g/t Au over 1.7 m (see news release "[*GFG Discovers New Gold Zone with 21.26 g/t Gold over 1.7 Metres at Pen Gold Project West of Timmins, ON*](#)") is also located within the Deerfoot region exemplifying the prospectivity of the area. IP survey results are currently being re-processed and re-evaluated to identify additional drill targets in this area of limited rock exposure.

Chabot

At Chabot, in the southeast part of the Project, till samples collected during the initial phase of sampling define a 2-kilometre trend of anomalous pristine gold grain counts. The northern end of the anomalous area includes 3 samples with more than 30 gold grains with greater than 80% of those grains having pristine shapes. Historic drilling in the immediate area returned gold values of 0.5 g/t Au over 7.0 m however some of the anomalous till samples are located further to the north suggesting that the bedrock source has not yet been located and further data review, till sampling and prospecting is justified. Approximately 2 kilometres to the east, historic intercepts of up to 31.54 g/t Au over 1.53 m have been reported confirming the existence of high-grade mineralization in this part of the property. Historic gold showings in this area can also be elevated in zinc, silver and lead which is a distinct association from most other areas on the property suggesting a different mineralizing event potentially of the volcanic-associated massive sulphide deposit type.

Hoodoo

To the southeast at Hoodoo, a number of widely-spaced till samples returned high counts of-pristine gold grains associated with two parallel, first and second-order shear zones. The results near the historic Joburke gold mine serve to validate till sampling as an effective property-scale target identification tool as well as outline the down-ice (to the south) dispersion train from an existing deposit located off the Project.

Broadway

In the northeastern part of the Project, the phase 2 till program returned a highly anomalous sample containing 57 gold grains of which 77% have pristine shapes. A possible source for this anomaly could relate to gold showings associated with north-trending shear zone(s) located 1 kilometre to the north where surface grab samples of carbonate-altered and quartz-veined diorite returned up to

3.93 g/t Au. Follow-up prospecting and till sampling will be conducted during the upcoming summer program.

Phase 1 Drill Program Update

The Company has recently completed its 2019 Phase 1 drill program on the Project. The drill program consisted of 4,400 m in 15 holes testing targets in the Slate Rock, Jehann, Reeves and Deerfoot regions. Due to favorable conditions the Company was able to follow-up on the Crawford discovery (see news release "[*GFG Discovers New Gold Zone with 21.26 g/t Gold over 1.7 Metres at Pen Gold Project West of Timmins, ON*](#)"). Assays are pending on all completed holes and the Company anticipates providing an update on the results during Q2 2019.

Outlook

At the Pen Gold Project, the Company will now begin its 2019 surface exploration programs which will include additional regional till sampling, ground geophysics, prospecting and mapping. Prioritization and refinement of targets, at all scales, will occur throughout the year as further results and interpretations are completed. The Phase 2 drill program of approximately 3,500 m is expected to begin in the fall of 2019.

At the Rattlesnake Hills Gold Project in Wyoming, U.S., the Company is working with its JV partner, Newcrest Mining Ltd., on re-modeling the district and deposit-scale geological and geophysical data, to drive both deep and greenfield drill targeting. As part of this process, the Company is currently applying Corescan technology to historic deep drill holes and innovative machine-learning technology to constrain geochemical and mineralogical vectors related to gold mineralization to further refine deep drill targets. The Company plans to provide a detailed summary of the 2019 exploration activities in Q2 with an aggressive drill program anticipated to begin in early Q3 2019.

Figure 1: [Schematic map of the till sampling processes](#)

Figure 2: [Till sampling results from the east block of the Pen Gold Project](#)

Figure 3: [Till sampling results from the west block of the Pen Gold Project](#)

Qualified Persons

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. Mr. Skanderbeg has reviewed the sampling and QA/QC procedures and results thereof as verification of the sampling data disclosed above and has approved the information contained in this news release.

Sampling and Quality Control

Surface grab and drill core samples are being analyzed by Bureau Veritas Commodities Canada Ltd. Preparation of a 1-kilogram pulp and gold assay of a 50-gram aliquot by Pb collection fire assay with an Atomic Absorption Spectrometry finish (Package FA450) are being done in Timmins, Ontario. Samples assaying above 3 ppm Au are being routinely re-run using gravimetric finish (Package FA550). Mineralized zones containing visible gold will also be analyzed by screen metallic fire assay. Selected rock samples will also be submitted for multi-element analysis for 59 other elements using a four-acid digestion and an ICP-MS finish (Package MA250) which is being done in Vancouver, British Columbia. Quality control and assurance measures include the

monitoring of results for inserted certified reference materials, coarse blanks and preparation duplicates of drill core.

Till Samples were collected from hand-dug pits at depths up to 1.2 metres in a grid pattern with nominal spacing of 500 by 1000m in areas of till cover. Geochemical samples (~2 kilograms) were sieved to minus 230 mesh and analyzed for gold and multi-element using an aqua regia digestion and ICP-ES/MS finish by Bureau Veritas Commodities Canada Ltd. in Vancouver in facilities accredited by the Standards Council of Canada. Gold grains were separated from bulk till samples (~10 kilograms) at IOS Services Geoscientifiques Inc. using their ArtPhot optical recognition methodology. Composition of separated gold grains were confirmed using a Scanning Electron Microscope. Comparison of geochemical results with accepted values for inserted certified reference materials confirms the accuracy of gold concentration results. Following convention and to account for different proportions of coarse cobbles and rock fragments in each sample, till gold grain counts have been normalized to 7.5 kilograms of sieved material.

Sampling protocols, quality control and assurance measures and geochemical results related to historic till, rock grab, and drill core samples quoted in this news release have not been verified by the Qualified Person and therefore must be regarded as estimates.

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 the Dore gold projects have the same geological setting that hosts 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 Newcrest Mining Ltd. through an option and earn-in agreement to advance the Rattlesnake Hills Gold Project. 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 Canada and the United States will continue to support the development of mining projects in Canada and the United States. In addition, the similarity or proximity of other gold deposits to the Rattlesnake Hill Gold Project, the Pen Gold Project and the Dore Gold Project is not necessary indicative of the geological setting, alteration and mineralization of the Rattlesnake Hills Gold Project, the Pen Gold Project and the Dore 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 assumes 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

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