

Trading Symbol: TSX: GGD
Shares Outstanding: 162,302,003

HALIFAX, May 13, 2016 /CNW/ - [GoGold Resources Inc.](#) (TSX: GGD) ("GoGold", "the Company") is pleased to announce the release of financial results for the three and six months ending March 31, 2016. The Company recorded revenue of \$5.1 million from the sale of 348,991 silver equivalent ounces at a cash cost of \$6.78 per silver equivalent ounce in the quarter. The Company continues to be a low cost operation with cash costs of \$2.73 per silver ounce using gold as a bi-product credit.

Financial highlights for the quarter ending March 31, 2016:

- Revenue of \$5.1 million from 348,991 equivalent ounces, a realized price of \$14.57 per silver equivalent ounce
- Operating income of \$0.5 million
- Cash flow from operations before changes in non-cash working capital of \$1.5 million
- Cash cost per ounce of silver, net of gold by-product credits was \$2.73
- Cash cost per silver equivalent ounce was \$6.78
- All in sustaining cost per silver equivalent ounce was \$9.44
- Produced 222,388 silver and 1,382 gold ounces, providing 335,183 silver equivalent ounces
- Operating costs per tonne stacked of \$8.61

Revenue increased 69% in the current quarter compared to the prior quarter as a result of increased production as more material is under irrigation on the leach pad. The increased revenue coupled with the low cash costs provided positive income from operations for the quarter. The expansion was completed at the end of the quarter which doubled stacking capacity from 5,000 to 10,000 tonnes per day (tpd) which will continue to drive production and revenue growth in future quarters. In order to focus on the Parral and Santa Gertrudis projects, during the quarter management decided not to renew certain mining claims at the Company's San Diego exploration asset and has recorded a non-cash \$20 million impairment.

Financial highlights for the six months ending March 31, 2016:

- Revenue of \$8.1 million from 568,283 equivalent ounces, a realized price of \$14.22 per silver equivalent ounce
- Operating income of \$0.3 million
- Cash flow from operations before changes in non-cash working capital of \$1.7 million
- Cash cost per ounce of silver, net of gold by-product credits was \$3.36
- Cash cost per silver equivalent ounce was \$6.68
- All in sustaining cost per silver equivalent ounce was \$9.74
- Produced 393,435 silver and 2,166 gold ounces, providing 566,436 silver equivalent ounces
- Operating costs per tonne stacked of \$9.58

Summarized Consolidated Financial Information

(in thousands USD, except per share amounts)	2016	2015*	2016	2015*
Revenue	\$ 5,081	\$ 39	\$ 8,082	\$ 39
Cost of sales	3,625	23	5,801	23
Operating income (loss)	538	(1,038)	270	(2,031)
Net loss	(16,963)	(3,563)	(19,409)	(5,594)
Basic net loss per share	(0.10)	(0.02)	(0.12)	(0.04)
Cash flow from operations, before changes in non-cash working capital	1,514	(1,099)	1,663	(2,050)

*Commercial production was declared March 1, 2015

Key Performance Indicators ¹ (in USD)	Three months ended March 31		Six months ended March 31	
	2016	2015 ²	2016	2015 ²
Total tonnes stacked	538,965	405,596	871,041	740,777
Operating costs per tonne stacked	\$ 8.61	\$ 8.33	\$ 9.58	\$ 8.86
All in sustaining cost per silver equivalent ounce ⁴	\$ 9.44	\$ 9.51	\$ 9.74	\$ 10.80
Cash cost per silver ounce ³	\$ 2.73	\$ 4.98	\$ 3.36	\$ 5.27
Cash cost per silver equivalent ounce ⁴	\$ 6.78	\$ 5.61	\$ 6.68	\$ 5.98
Realized silver price	\$ 14.57	\$ 16.03	\$ 14.22	\$ 15.69

¹Key performance indicators are unaudited non-GAAP measures ²Commercial production was declared March 1, 2015, prior to this all operational costs and metal sales were capitalized to development assets as the project had yet to achieve commercial production, for comparison purposes these costs have been included. ³Using Gold as a by-product credit ⁴Gold is converted using actual realized prices

This news release should be read in conjunction with the consolidated financial statements for the three and six months ended March 31, 2016, notes to the financial statements, and management's discussion and analysis for the three and six months ended March 31, 2016, which have been filed on SEDAR and are available on the Company's website.

Technical information contained in this news release with respect to GoGold has been reviewed and approved by Terry Coughlan, P.Geo, Chairman who is a qualified person for the purposes of NI 43-101.

CAUTIONARY STATEMENT:

The securities described herein 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 or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy of any of GoGold's securities in the United States.

This news release may contain "forward-looking information" as defined in applicable Canadian securities legislation. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the future plans and objectives of GoGold, constitute forward-looking information that involve various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with the continuance of GoGold and its subsidiaries as a going concern, general economic and market conditions, mineral prices, the accuracy of mineral resource estimates, and the ability to satisfy all conditions to funding of the second tranche under the credit agreement. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in such forward-looking information.

Important factors that could cause actual results to differ materially from GoGold's expectations include exploration and development risks associated with the GoGold's projects, the failure to establish estimated mineral resources or mineral reserves, volatility of commodity prices, variations of recovery rates and global economic conditions. For additional information with respect to risk factors applicable to GoGold, reference should be made to GoGold's continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, GoGold's Annual Information Form. The forward-looking information contained in this release is made as of the date of this release.

Cautionary non-GAAP Measures and Additional GAAP Measures

Note that for purposes of this section, GAAP refers to IFRS. The Company believes that investors use certain non-GAAP and additional GAAP measures as indicators to assess mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP. Non-GAAP and additional GAAP measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies.

Additional GAAP measures that are presented on the face of the Company's consolidated statements of comprehensive income include "Operating income (loss)". These measures are intended to provide an indication of the Company's mine and operating performance. "Cash flow from operating activities before changes in non-cash working capital" is a non-GAAP performance measure that could provide an indication of the Company's ability to generate cash flows from operations, and is calculated by adding back the change in non-cash working capital to "Net cash used in operating activities" as presented on the Company's

consolidated statements of cash flows. "Operating costs per tonne stacked" is a non-GAAP performance measures that could provide an indication of the mining and processing efficiency and effectiveness of the mine. These measures are calculated by dividing the relevant mining and processing costs and total costs by the tonnes of ore processed in the period. "Cash costs per ounce" and "all-in sustaining costs per ounce" as used in this analysis are non-GAAP terms typically used by mining companies to assess the level of gross margin available to the Company by subtracting these costs from the unit price realized during the period. These non-GAAP terms are also used to assess the ability of a mining company to generate cash flow from operations. There may be some variation in the method of computation of these metrics as determined by the Company compared with other mining companies. In this context, "cash costs per ounce" reflects the cash operating costs allocated from in-process and dore inventory associated with ounces of gold sold in the period. "Cash costs per ounce" may vary from one period to another due to operating efficiencies, waste-to-ore ratios, grade of ore processed and gold recovery rates in the period. "All-in sustaining costs per ounce" include total cash costs, exploration, corporate and administrative, share based compensation and sustaining capital costs. For a reconciliation of non-GAAP and GAAP measures, please refer to the Management Discussion and Analysis dated May 12, 2016, for the three and six months ended March 31, 2016, as filed on SEDAR.

SOURCE [GoGold Resources Inc.](#)

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