

HALIFAX, Sept 12, 2016 /CNW/ - [GoGold Resources Inc.](#) (TSX: GGD), (GoGold), is pleased to provide a progress update on its wholly-owned Santa Gertrudis Gold deposits located in Sonora, Mexico. Following the completion of the Preliminary Economic Assessment (PEA) by P&E Mining Consultants Inc. in August 2014, GoGold has continued to assess various processing methods. The PEA was based on conventional cyanide heap leaching for the recovery of the precious metals; in part, because the property has a long production history using cyanide heap leaching. Further preliminary metallurgical testing was completed at the Kappes Cassidy & Associates (KCA) laboratories in Reno Nevada which indicated that cyanide vat leaching could be a viable alternative to conventional heap leaching; with achieved vat gold recoveries in the low 80% range (at a -8mm crush size over 50 hours of leach) on the first deposits tested along the main mineralized trend including Trinidad, Dora, Corral and Ruben.

While the leaching mechanism is similar, the primary difference between heap and vat leaching is that heap leaching occurs on large pads which are exposed to the weather elements whereas vat leaching occurs in smaller, more controlled batches in concrete vats. Some of the considered advantages of vat leaching at Santa Gertrudis are:

1. Lower investment risk. The capital to achieve initial production will be significantly lower than the \$32 million USD price tag determined by the PEA for heap leaching;
2. Faster project development: 4 to 6 month development schedule taking advantage of existing infrastructure at the old plant site;
3. More flexible in processing the many deposits on the property. The normal variation in leach kinetics and process conditions can be easily handled in the vat scenario and allow for more aggressive mining under possible varying mineralogy;
4. Quick revenue generation as recovery times are much faster in the vat process;
5. Increase in gold recoveries over conventional heap leaching as vats can withstand much higher irrigation solution rates compared to heaps; and,
6. Lower cyanide foot print which allows for easier environmental control;

In terms of further assessing the benefits of vat leaching, GoGold plans to begin an initial phase with a 2,000 tons per day (tpd) vat leaching operation which will allow field evaluation of the many ore types and deposits which will aide in perfecting the operating process. The results of these large-scale tests would in turn provide input to an updated feasibility study of the property. GoGold believes the scale of the proposed initial plant would allow sufficient cash flow to cover the full cost of the plant and the feasibility study program. Following successful evaluation, the project can then be easily scaled up by adding additional vats to the expected full commercial operation.

GoGold plans to begin the installation of the vats at the old plant site at Santa Gertrudis in October 2016 and will require 3 to 4 months to complete. The additional capital items like crushing, infrastructure and initial mining and stockpiling will also occur over this period.

GoGold has budgeted an initial cost of \$10 million USD to install the initial 2,000 tpd plant and to carry out the initial mining, road upgrades and stockpiling.

#### Parral update

GoGold also provides an update on the quarterly production at Parral. The current quarter is typically the rainy season in Mexico which negatively impacts production from the heap leach operation by diluting pregnant solution and negatively impacting how many tons are stacked onto the heap leach. The rains thus far have been significantly worse than the past recorded years at the heap leach site. This has impacted our production to date at Parral and will continue to impact the remaining quarter. In order to make up for lost production GoGold has begun processing near surface high grade material from one of the deposits at the Santa Gertrudis mine. This material is being toll milled with the final dore bars being smelted in the Parral gold room. This high grade material should make up much of the production shortfall caused by the extreme rains.

Robert Harris, P. Eng, is the qualified person as defined by National Instrument 43-101, and is responsible for the technical information of this release.

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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 impact of the private placement and debt financing on GoGold and the Parral tailings project, and 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.

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