

GoGold Announces Revenue of \$17 Million for the Year Ending September 30, 2017

23.12.2017 | [CNW](#)

Trading Symbol: TSX: GGD
Shares Outstanding: 171,376,481

HALIFAX, Dec. 22, 2017 /CNW/ - [GoGold Resources Inc.](#) (TSX: GGD) ("GoGold", "the Company") is pleased to announce the release of financial results for the quarter and year ending September 30, 2017 with revenue of \$17.0 million (All amounts in U.S. dollars) from the sale of 502,804 silver ounces and 7,313 gold ounces during the year.

Financial Highlights for the year ending September 30, 2017:

- Executed agreement for sale of Santa Gertrudis for gross proceeds of \$80 million (less working capital adjustment of \$380,000) plus a 2% net smelter royalty resulting in a gain of \$53.9 million which closed subsequent to year end.
- Revenue of \$17.0 million from the sale of 502,804 silver ounces and 7,313 gold ounces, a realized price of \$16.40 per silver equivalent ounce and a net loss of \$584,000
- Cash flow from operations before changes in non-cash working capital of \$3.6 million, or 2 cents per basic share
- Adjusted cash cost per ounce of silver, net of gold by-product credits was \$1.80
- Adjusted cash cost per silver equivalent ounce was \$9.39
- Adjusted all in sustaining cost per silver equivalent ounce was \$16.10
- Produced 545,465 silver and 7,961 gold ounces, providing 1,146,573 silver equivalent ounces at Parral

GoGold generated record revenue for the year end September 30, 2017, with low adjusted cash costs per silver equivalent ounce. The sale of Santa Gertrudis was entered into on September 5, 2017 and closed on November 2, 2017. Net proceeds of the sale were cash of \$77,190,000 and a 2% net smelter royalty on the project. The sale resulted in a pre-tax gain in the quarter ending September 30, 2017 of \$53,920,000 on the project which was initially acquired in 2014.

The net loss for the year includes an unusual net realizable value adjustment related to inventory of \$9,420,000. In August 2016, management determined that it was economical to reprocess tailings which had been originally stacked on the leach pad in the summer of 2016. The quality of the agglomerate was poor during this period, and as a result, the material has not been able to be leached in leach solution at the proper flow rates. To decrease the recovery time for this material, the Corporation will reagglomerate and restack the material on the leach pad using the same methodology that has been used to stack material over the past year. There have been no adjustments to the expected recoverable ounces on the rehandled material as a result of the reprocessing. The Corporation carries the heap leach inventory at the lower of cost or net realizable value, an assessment of net realizable value was completed in Q4 2017 considering the impact of reprocessing and related costs which resulted in a charge to cash costs of \$7,652,000 and amortization and depletion of \$1,768,000. The increased costs of reagglomerating the material had a significant impact on the net realizable value adjustment. The adjusted cash and all in sustaining costs per ounce set out above and in the table below exclude the effect of the net realizable value adjustment.

Production for the quarter ending September 30, 2017 was 353,370 silver equivalent ounces which was the fourth consecutive quarter of production growth. The quarter ended September 30th is traditionally the rainy season in Mexico which can negatively impact production. With improvements that have been made to the operating procedures related to managing the impact of weather, production increased 125% over the previous year rainy season quarter.

Financial Highlights for the quarter ending September 30, 2017:

- Revenue of \$4.44 million from 262,095 silver equivalent ounces, a realized price of \$16.96 per silver equivalent ounce
- Adjusted cash cost per ounce of silver, net of gold credits was \$4.03
- Adjusted cash cost per silver equivalent ounce was \$10.18
- Adjusted all in sustaining cost per silver equivalent ounce was \$22.42
- Produced 165,415 silver and 2,177 gold ounces, providing 353,370 silver equivalent ounces

Summarized Consolidated Financial Information	Three months ended September 30			
	2017	2016 ¹	2017	2016
(in thousands USD, except per share amounts)				
Revenue	\$ 4,444	\$ 2,220	\$ 17,045	\$ 16,267
Cost of sales ²	\$ 13,183	\$ 1,346	\$ 23,179	\$ 10,582
Operating income (loss)	\$ (10,227)	\$ (715)	\$ (9,743)	\$ 943
Net loss ³	\$ (1,501)	\$ (1,291)	\$ (584)	\$ (20,537)
Basic net loss per share	\$ (0.009)	\$ (0.008)	\$ (0.003)	\$ (0.124)
Cash flow from operations, before changes in non-cash working capital	\$ 2,091	\$ (448)	\$ 3,551	\$ 3,422

¹ Adjusted for discontinued operations associated with the sale of Santa Gertrudis.

² Cost of sales in the quarter ended September 30, 2017 includes a negative net realizable value adjustment of \$9,420.

³ Net loss in the year ended 2016 includes an impairment charge of \$20,030 recorded on the San Diego property.

Key Performance Indicators ¹	Three months ended September 30			
	2017	2016	2017	2016
(in thousands USD, except per ounce amounts)				
Total tonnes stacked	279,717	332,628	1,166,789	1,834,888
Adjusted AISC per silver equivalent ounce ^{2,4}	\$ 22.42	\$ 21.04	\$ 16.10	\$ 11.36
Adjusted cash cost per silver ounce ^{3,4}	\$ 4.03	\$ (5.20)	\$ 1.80	\$ 0.76
Adjusted cash cost per silver equivalent ounce ^{2,4}	\$ 10.18	\$ 7.50	\$ 9.39	\$ 6.49
Realized silver price	\$ 16.96	\$ 18.96	\$ 16.40	\$ 15.50

¹ Key performance indicators are unaudited non-GAAP

² Gold is converted using actual realized prices

³ Using Gold as a by-product credit

⁴ Adjusted for net realizable value adjustment, see reconciliation in MD&A

This news release should be read in conjunction with the consolidated financial statements for the year ended September 30, 2017, notes to the financial statements, and management's discussion and analysis for the year ended September 30, 2017, 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 Mr. E. P. Eng., 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 for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in compliance with the requirements of the U.S. Securities Act and applicable state securities laws or pursuant to exemptions therefrom. This 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 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 operations 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 may 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 measures 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 measures 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 mill 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. Per ounce 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" 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 calculation 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 silver and gold produced in the period. "Cash costs per ounce" may vary from one period to another due to operating efficiencies, grade of material processed, silver/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 December 22, 2017, for the year ended September 30, 2017, presented on SEDAR.

SOURCE [GoGold Resources Inc.](#)

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