

# GoGold Reports Results for Quarter ending March 31, 2018

10.05.2018 | [CNW](#)

Trading Symbol: TSX: GGD

Shares Outstanding: 171,376,481

HALIFAX, May 10, 2018 /CNW/ - [GoGold Resources Inc.](#) (TSX: GGD) ("GoGold", "the Company") reports record production of 417,191 silver equivalent ounces in the quarter and generated revenue of \$5.4 million on the sale of 337,821 silver equivalent ounces at an average realized price of \$15.99 in the quarter ending March 31, 2018. (All amounts are in U.S. dollars)

The difference between ounces produced and sold was attributed to an increase in ounces awaiting settlement at the end of the quarter. These ounces were received and sold in April 2018 and the Company does not expect there to be a delay in settlement of these ounces in the current quarter. The Company's production represents an increase of 50% over the second quarter of 2017 and the sixth consecutive quarter of production growth.

The Company stacked 439,376 tonnes on the leach pad which represents a 22% increase from the second quarter of 2017. The Company completed the re-agglomeration of some of the older pads and stacked 193,516 tons of fresh tailings. Management foresees an increase in production in future quarters due to the higher stacking rates, fresh tailings coming under leach and the residual leaching from the first lift. Cash costs for the quarter were \$10.67 per silver equivalent ounce which was up from \$10.30 in the second quarter 2017 due to the additional costs associated with re-agglomerating some material. This number is expected to decrease as we stack more fresh tailings in future quarters.

The Company reports a net loss of \$41,000 for the three months ended March 31, 2018, and net income of \$30.0 million in comprehensive income of \$42.5 million for the six months ended March 31, 2018.

The Company is pleased to report that during the quarter Agnico Eagle Mines began an initial drilling program at the Santa Gertrudis project with a budget of \$8.3 million for the first phase of drilling. The Company retained a 2% net smelter royalty on the project as part of the sale in November 2017 and this exploration program reaffirms management's view of its value.

As a result of the sale of Santa Gertrudis in November 2017 the company's working capital has improved by \$56.8 million during the first quarter of 2018. Shareholder's equity has also improved by \$42.6 million to \$130.4 million during the year. The company remains in strong financial condition with \$12.7 million in cash, a royalty on Santa Gertrudis that management believes will be sold for approximately \$15 million, inventory stacked on the heap leach pad with recoverable metal worth approximately \$100 million, and no debt. In addition to the strong balance sheet, Parral is generating earnings before interest, taxes, and depreciation and has a mine life of approximately 10 years.

Summarized Consolidated Financial Information (in thousands USD, except per share amounts)	Three months ended March 31		Six months ended March 31	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Revenue	\$ 5,403	\$ 4,276	\$ 11,235	\$ 7,950
Production costs, except amortization and depletion	3,605	2,297	7,888	4,232
Mine site EBITDA <sup>2</sup>	1,798	1,979	3,347	3,718
Net (loss) income	(41)	610	29,995	1,271
Basic net earnings per share	0.00	0.00	0.18	0.01

<sup>1</sup>Adjusted for discontinued operations associated with the sale of Santa Gertrudis.

<sup>2</sup>Earnings before interest, taxes, depreciation and amortization

Key Performance Indicators <sup>1</sup>	Three months ended March 31		Six months ended March 31	
	2018	2017	2018	2017
Total tonnes stacked	439,376	360,326	801,310	594,025
AISC per silver equivalent ounce <sup>2</sup>	\$ 15.95	\$ 12.18	\$ 15.58	\$ 12.54
Cash cost per silver ounce <sup>3</sup>	\$ 7.47	\$ 0.75	\$ 8.11	\$ 0.14
Cash cost per silver equivalent ounce <sup>2</sup>	\$ 10.67	\$ 9.00	\$ 11.20	\$ 8.82
Realized silver price	\$ 15.99	\$ 16.77	\$ 15.95	\$ 16.56

<sup>1</sup>Key performance indicators are unaudited non-GAAP measures

<sup>2</sup>Gold is converted using actual realized prices

<sup>3</sup>Using Gold as a by-product credit

This news release should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended March 31, 2018, notes to the financial statements, and management's discussion and analysis for the three and six months ended March 31, 2018, which have been filed on SEDAR and are available on the Company's website.

Mr. 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.

#### About GoGold Resources

GoGold Resources (TSX: GGD) is a Canadian-based silver and gold producer focused on operating, developing, exploring and acquiring high quality projects in Mexico. The Company's Parral Tailings project produces silver and gold at a low cash cost. Headquartered in Halifax, NS, GoGold is building a portfolio of low cost, high margin projects. For more information visit [gogoldresources.com](http://gogoldresources.com).

#### 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 Parral tailings project, future operating margins, future production and processing, 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 performance of the Parral project. 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 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-IFRS Measures and Additional IFRS Measures

The Company believes that investors use certain non-IFRS and additional IFRS 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 IFRS. Non-IFRS and additional IFRS measures do not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies.

Additional IFRS measures that are presented on the face of the Company's consolidated statements of ~~Comprehensive income~~ ~~Steve Low, Corporate Development, GoGold Resources, T: 416-855-0435, E: steve@oggoldresources.com~~ ~~of the Company's mine and operating performance. "Cash flow from operating activities before changes in non-cash working capital" is a non-IFRS 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 centile measures are calculated by dividing the relevant mining and processing costs and total costs by the ounces of metal sold in the period. "Cash costs per ounce" and "all-in sustaining costs per ounce" as used in this analysis are non-IFRS 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-IFRS 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 silver and gold sold in the period. "Cash costs per ounce" may vary from one period to another due to operating efficiencies, grade of material processed and 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-IFRS and IFRS measures, please refer to the Management Discussion and Analysis dated May 9, 2018, for the three and six months ended March 31, 2018, as presented on SEDAR.~~

SOURCE [GoGold Resources Inc.](#)