

GoGold Resources Inc. Reports Quarterly Net Income of USD \$8.2 Million

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HALIFAX, Feb. 8, 2019 - [GoGold Resources Inc.](#) (TSX: GGD) ("GoGold", "the Company") reports net income of \$8.2 million for the three months ended December 31, 2018. The Corporation closed the previously announced sale of the 2% net smelter royalty which resulted in net proceeds and an equivalent pre-tax gain of \$11.8 million. (All amounts are in U.S. dollars).

The closing of the sale of the royalty concludes the Corporation's involvement with the Santa Gertrudis project which was initially acquired in 2014. Net consideration on the sale of assets associated with the Santa Gertrudis project was \$88.6 million, less costs of \$24.5 million resulting in a pre-tax gain of \$64.1 million over the life of the project.

Production increased each month during the quarter for a total of 325,148 silver equivalent ounces that generated revenue of \$3.9 million on the sale of 271,211 silver equivalent ounces at an average realized price of \$14.20, and at an adjusted cash cost of \$12.32. The large difference between produced and sold is because a significant amount of the December production was in transit at December 31 and will be sold during the quarter ended March 31, 2019. The difference between produced and sold will be much less in future quarters. Production continues to be strong and the Company expects another strong quarter of production growth.

The Corporation maintains a strong balance sheet with a strong cash position and no debt. The Corporation is in a strong financial position and is seeking opportunities to be a consolidator of undervalued mining properties in Mexico.

Summarized Consolidated Financial Information (in thousands USD, except per share amounts)	Three months ended December 31	
	2018	2017
Revenue	\$ 3,850	\$ 5,832
Production costs, except amortization and depletion	3,342	3,070
Mine site EBITDA ¹	(436)	1,548
Net income	8,153	28,494
Basic net earnings per share	0.05	0.18

¹Earnings before interest, taxes, depreciation and amortization

Key Performance Indicators ¹	Three months ended December 31	
	2018	2017
Total tonnes stacked	355,613	361,934
Silver equivalent production ²	325,148	392,406
Adjusted AISC per silver equivalent ounce ²	\$ 16.77	\$ 14.74
Adjusted Cash cost per silver equivalent ounce ²	\$ 12.32	\$ 11.18
Adjusted Cash cost per silver ounce ^{3,4}	\$ 10.09	\$ 7.90
Realized silver price	\$ 15.92	\$ 15.92

¹Key performance indicators are unaudited non-GAAP measures

²Gold is converted using actual realized prices

³Using Gold as a by-product credit

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

This news release should be read in conjunction with the condensed consolidated interim financial statements for the three months ended December 31, 2018, notes to the financial statements, and management's discussion and analysis for the three months ended December 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.

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 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 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-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 ounce 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 February 6, 2019, for the three months ended December 31, 2018, as presented on SEDAR.

Shares Outstanding: 171,776,481

SOURCE [GoGold Resources Inc.](#)

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