

GoGold Resources Announces Annual Net Income of \$8.1M USD for September 30, 2019

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HALIFAX, Dec. 13, 2019 - [GoGold Resources Inc.](#) (TSX: GGD) (OTCQX: GLGDF) ("GoGold", "the Company") is pleased to announce the release of financial results for the quarter and year ending September 30, 2019 with record revenue of \$27.0 million (all amounts are in U.S. dollars) from the sale of 1,758,307 silver equivalent ounces during the year.

Financial Highlights for the year ending September 30, 2019:

- Record revenue of \$27.0 million, an increase of 28% from prior year's record, from the sale of 1,005,899 silver and 8,752 gold ounces, at a realized price of \$15.33 per silver equivalent ounce
- Record production of 1,781,080 silver equivalent ounces, an increase of 37% from prior year's record
- Net income of \$8.1 million (\$0.05 per share)
- All in sustaining costs of \$14.82 per silver equivalent ounce, average of \$13.70 over last six months
- Cash costs of \$11.80 per silver equivalent ounce
- Gain on sale of Santa Gertrudis royalty of \$11.8 million
- Net working capital of \$13.1 million available to fund operations and future exploration at Los Ricos

"The Company is in a strong financial position with Parral operating at record levels, and the drilling results to date at Los Ricos looking exceptional. During the year, we were able to generate a significant gain on the sale of the Santa Gertrudis royalty, which combined with the gain on the marketable securities we took as consideration for that sale, generated \$15 million in income, in addition to the \$53 million realized last year on the sale of Santa Gertrudis. Our team continues to demonstrate our ability to generate value for shareholders from exploration projects.," Brad Langille, President and CEO stated. "Our Company generated \$2 million in cash from operations, excluding working capital adjustments, in the September quarter, which is showing that Parral is the engine which will drive our exploration of Los Ricos going forward."

GoGold generated record revenue from record production for the year end September 30, 2019, with cash costs per silver equivalent ounce of \$11.80 for the year. Production for the year was 1,781,080 silver equivalent ounces, consisting of 1,033,365 silver and 8,673 gold ounces, an increase of 37% from the prior year record.

On August 15, 2019, the Company acquired the Los Ricos project, which consists of 29 concessions in Jalisco, Mexico from private Mexican owners. The concessions, along with an existing 2% net smelter royalty on the property, were acquired for share consideration of \$5.4 million and cash consideration of \$4.5, of which \$3.9 is payable over 3 years as of September 30, 2019. In addition, the Company spent \$1.8 million during the year on drilling, which produced 62 holes totaling 8,919m of HQ size drill core, with assayed results received and reported on 50 drill holes as of September 30, 2019.

The Company continues to progress on construction of the previously announced SART plant at Parral, with construction nearing completion and commissioning set to begin in January as planned. The SART plant is expected to bring important economic and technical benefits to the Parral facility. The main economic drivers are the recovery of a high-grade saleable copper sulfide product, the re-generation of cyanide, which is the largest single operating cost at Parral, and improved leaching efficiency of the heap.

The monetization of the sale of Santa Gertrudis was completed with the final sale of the 2% net smelter royalty for \$12 million which closed on November 7, 2018. An additional \$3 million gain on the value of the marketable securities received from the sale of the royalty was recorded as of September 30, 2019. The royalty sale brought the total proceeds on the disposition of Santa Gertrudis to \$95 million which the Company purchased in 2014 for \$11 million and invested an additional \$9 million for a total investment of \$20 million.

The quarter ending September 30, 2019 generated record quarterly revenues of \$9.7 million on the sale of 572,435 silver equivalent ounces, at a realized price of \$16.96 per ounce. All in sustaining costs per ounce for the quarter were \$13.78 per silver equivalent ounce. The Company generated net income of \$0.8 million during the quarter, and cash flow from operations before working capital of \$2.0 million.

Following are tables showing summarized financial information and key performance indicators.

Summarized Consolidated Financial Information (in thousands USD, except per share amounts)	Three months ended Year ended September 30 September 30			
	2019	2018	2019	2018
Revenue	\$ 9,709	\$ 3,492	\$ 26,972	\$ 21,016
Cost of sales ¹	\$ 8,505	\$ 25,610	\$ 26,682	\$ 45,294
Operating income (loss)	\$ 4	\$ (23,089)	\$ (4,410)	\$ (28,412)
Net income (loss) ²	\$ 751	\$ (68,520)	\$ 8,114	\$ (43,693)
Basic net income (loss) per share	\$ 0.00	\$ (0.39)	\$ 0.05	\$ (0.43)
Cash flow from operations, before changes in non-cash working capital	\$ 1,959	\$ 1,660	\$ 2,974	\$ 3,038

¹ Cost of sales in the quarter ended September 30, 2018 includes an inventory writedown of \$13,893.

² Net loss in the year ended 2018 includes an impairment charge of \$48.2 million.

Key Performance Indicators ¹ (in thousands USD, except per ounce amounts)	Three months ended Year ended September 30 September 30			
	2019	2018	2019	2018
Total tonnes stacked	300,263	370,558	1,654,393	1,619,061
AISC per silver equivalent ounce ^{2,4}	\$ 13.78	\$ 44.55	\$ 14.82	\$ 22.25
Adjusted AISC per silver equivalent ounce ^{2,4}	\$ 13.78	\$ 12.50	\$ 14.11	\$ 14.46
Adjusted cash cost per silver ounce ^{3,4}	\$ 7.27	\$ 1.07	\$ 7.82	\$ 6.24
Adjusted cash cost per silver equivalent ounce ^{2,4}	\$ 11.62	\$ 7.92	\$ 11.09	\$ 10.20
Realized silver price	\$ 16.96	\$ 14.44	\$ 15.24	\$ 15.79

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 of \$7,750 in quarter ending Sept 30, 2018, see reconciliation in MD&A

Board Appointment

On December 11, 2019, Brad Langille was appointed as a board member of the Company.

This news release should be read in conjunction with the consolidated financial statements for the year ended September 30, 2019, notes to the financial statements, and management's discussion and analysis for the year ended September 30, 2019, 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 Mr. Bob Harris, 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 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. 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" 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 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-GAAP and GAAP measures, please refer to the Management Discussion and Analysis dated December 11, 2019, for the year ended September 30, 2019, as presented on SEDAR.

SOURCE [GoGold Resources Inc.](#)

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