

Fortitude Gold Reports Record Second Quarter Production and Net Income of \$8.3m or \$0.35 Per Share

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COLORADO SPRINGS, August 3, 2021 - [Fortitude Gold Corp.](#) (OTCQB:FTCO) (the "Company") reported record production and financial results for the second quarter ended June 30, 2021 of 14,579 ounces of gold produced at \$628 per ounce all-in sustaining cost, \$25.9 million net sales, and a \$13.8 million increase to its treasury to \$41.5 million from December 31, 2020. Fortitude Gold is a gold producer, developer, and explorer with operations in Nevada, U.S.A.

Q2 2021 FINANCIAL RESULTS AND HIGHLIGHTS

- \$41.5 million cash balance on June 30, 2021; an increase of 50%, or \$13.8 million from December 31, 2020
- \$8.3 million net earnings or \$0.35 per share
- \$25.9 million net sales
- \$16.4 million cash from year-to-date operating activities
- 14,579 gold ounces produced
- 6.75 grams per tonne average gold grade mined
- \$72 million working capital, an increase of 72% from December 31, 2020
- \$13.2 million mine gross profit
- \$564 per ounce cash cost after by-product credits
- \$628 per ounce total all-in sustaining cost
- \$0.24 annual cash dividend per share initiated, subsequently increased by 50% to \$0.36 per share

Overview of Q2 2021 Results

Fortitude Gold sold 14,510 gold ounces at a total cash cost of \$564 per ounce (after by-product credits). Realized metal prices during the quarter averaged \$1,794 per ounce gold*. The Company recorded net income of \$8.3 million, or \$0.35 per share. Cash and cash equivalents at quarter end totaled \$41.5 million. The Company produced 14,579 ounces of gold during the quarter and recently increased its 2021 Annual Outlook, now targeting 45,000 gold ounces (a range of 40,000 to 45,000 ounces).

*Average realized metal prices include final settlement adjustments for previously unsettled provisional sales. Provisional sales may remain unsettled from one quarter into the next. Realized prices will therefore vary from average spot metal market prices upon final settlement.

Mr. Jason Reid, CEO and President of Fortitude Gold, stated, "The second quarter marked a record for production with 14,579 gold ounces, record net income of \$8.3 million and a record cash balance of \$41.5 million. This record-breaking quarter, on the back of an outstanding first quarter, gave us the confidence and ability to initiate our dividend business strategy. We declared a \$0.24 annual dividend in April and a 50% increase in May to \$0.36 annually. Subsequent to the quarter we increased the dividend again by 17% to \$0.42 annually. Our Isabella Pearl mine continues to exceed expectations including the average grade mined during the quarter of 6.75 grams gold per tonne. We had excellent exploration results during the quarter on the Isabella Pearl mineralized trend, specifically at our Scarlet target, as well as on our Golden Mile and East Camp Douglas properties. Fortitude Gold is poised to make additional deposit discoveries on our exceptional property portfolio in the best region of the Walker Lane Mineral Belt of Nevada. We aim to be a long-term gold producer in Nevada as we look to build our second mine and as a dividend payer as we return substantial cash back to our shareholders."

The following Production Statistics table summarizes certain information about our Isabella Pearl Mine for three and six months ended June 30, 2021 and 2020:

	Three months ended June 30, 2021	2020	Six months ended June 30, 2021	2020
Ore mined				
Ore (tonnes)	158,507	143,818	314,729	302,572
Gold grade (g/t)	6.75	1.54	5.90	1.33
Low-grade stockpile (tonnes)				
Ore (tonnes)	-	-	18,490	
Gold grade (g/t)	-	-	0.57	
Pre-strip waste	-	-	1,346,316	
Waste (tonnes)	1,681,710	1,715,609	3,056,909	2,160,341
Metal production (before payable metal deductions)				
Gold (ozs.)	14,579	5,208	26,115	8,900
Silver (ozs.)	5,043	5,902	17,176	10,985

The following Sales Statistics table summarizes certain information about our Isabella Pearl Mine for three and six months ended June 30, 2021 and 2020:

	Three months ended June 30, 2021	2020	Six months ended June 30, 2021	2020
Metal sold				
Gold (ozs.)	14,510	5,054	25,982	8,809
Silver (ozs.)	9,946	5,851	16,841	11,430
Average metal prices realized (1)				
Gold (\$per 1,794 oz.)	1,708	1,799	1,651	
Silver (\$per 26.30 oz.)	16.10	26.27	16.36	

Precious metal gold equivalent ounces sold			
Gold Ounces 14,510	5,054	25,982	8,809
Gold Equivalent Ounces 146 from Silver	55	246	113
	14,656	5,109	26,228
			8,922
Total cash cost before by-product credits \$ 582 per gold ounce sold	\$ 1,420	\$ 568	\$ 1,391
Total cash cost after by-product credits \$ 564 per gold ounce sold	\$ 1,401	\$ 551	\$ 1,370
Total all-in sustaining cost per gold ounce sold	\$ 1,455	\$ 605	\$ 1,402

See Accompanying Tables

The following information summarizes the results of operations for [Fortitude Gold Corp.](#) for the three and six months ended June 30, 2021 and 2020, its financial condition at June 30, 2021 and December 31, 2020, and its cash flows for the six months ended June 30, 2021 and 2020. The summary data as of June 30, 2021 and for the three and six months ended June 30, 2021 and 2020 is unaudited; the summary data as of December 31, 2020 is derived from our audited financial statements contained in our annual report on Form 10-K for the year ended December 31, 2020, but do not include the footnotes and other information that is included in the complete financial statements. Readers are urged to review the Company's Form 10-K in its entirety, which can be found on the SEC's website at www.sec.gov.

The calculation of its cash cost before by-product credits per gold ounce sold, total cash cost after by-product credits per gold ounce sold and total all-in sustaining cost per gold ounce sold contained in this press release are non-GAAP financial measures. Please see "Management's Discussion and Analysis and Results of Operations" contained in the Company's most recent Form 10-K for a complete discussion and reconciliation of the non-GAAP measures.

[Fortitude Gold Corp.](#)
CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands, except share and per share amounts)

June 30,	December 31,
2021	2020

(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$ 27,774
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Accounts receivable	145
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Inventories	23,051
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Prepaid expenses and other current assets	1,962
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Total current assets	52,932
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Property, plant and mining development, net	50,990
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Operating lease assets, net	6,198
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Deferred tax assets	959
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Other non-current assets	1,946
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Total assets	\$ 113,025
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LIABILITIES

AND

SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 1,715
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Loans payable, current	665
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Finance lease liabilities, current	398
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Operating lease liabilities, current	6,198
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Income taxes	21	-
payable		
Mining taxes	23	1,001
payable		
Other current liabilities	24	1,092
Total current liabilities	6,966	11,069
Asset retirement obligations	4,826	3,844
Loans payable, long-term	71	117
Finance lease liabilities, long-term	22	27
Total liabilities	11,387	15,057
Shareholders' equity:		
Preferred stock		
-		
\$0.01 par value, 20,000,000 shares authorized and nil outstanding at June 30, 2021 and nil shares authorized and outstanding at December 31, 2020		-

Common stock
-
\$0.01 par value, 200,000,000 shares authorized and 23,961,208 shares outstanding at June 30, 2021 and 21,211,208 shares outstanding at December 31, 2020
Additional paid-in capital \$108,471 99,682
Retained earnings (accumulated deficit) ~~6,892~~ (1,926)
Total shareholders' equity \$101,613' 97,968
Total liabilities and shareholders' equity \$121,990 \$ 113,025

Fortitude Gold Corp.

CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and six months ended June 30, 2021 and 2020
(U.S. dollars in thousands, except share and per share amounts)
(Unaudited)

Three months ended June 30, 2021		Six months ended June 30, 2020	
Sales net	\$ 25,903	\$ 8,576	\$ 46,557
Mine cost of sales:			
Production costs	8,059	7,030	14,144
Depreciation and amortization	4,638	1,823	8,285
			3,208

Reclamation and remediation	4	76	(7)
Total mine costs of sales	12,744	8,857	22,505
Mine gross profit (loss)	3,159	(281)	24,052
Costs and expenses:			
General and administrative expenses	1,186	594	7,345
Exploration expenses	1,039	416	2,357
Other expense, net	47	62	84
Total costs and expenses	2,272	1,072	9,786
Income (loss) before income and mining taxes	10,887	(1,353)	14,266
Mining and income tax expense	2,553	325	3,531
Net income (loss)	8,334	\$ (1,678)	\$ 10,735
Net income (loss) per common share:			
B\$0.35	\$ (168)	\$ 0.45	\$ (307)
D\$0.34	\$ (168)	\$ 0.45	\$ (307)
Weighted average shares outstanding:			
Basic 26,958,319	10,000	23,788,152	10,000
Diluted 26,189,989	10,000	24,007,557	10,000

Fortitude Gold Corp.CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2021 and 2020
(U.S. dollars in thousands)

(Unaudited)

Six months ended

June 30,

2021 2020

Cash
flows
from
operating
activities:

Net
in \$ 10,735 \$ (3,066)
(loss)

Adjustments
to

reconcile
net
income
(loss)

to
net
cash
from
operating
activities:

Depreciation
and 8,344 3,282
amortization

Stock-based
compensation 3,317 -

Deferred
taxes 845 -

Other
operating (341) (6)
adjustments

Changes
in
operating
assets
and
liabilities:

Accounts (1,112) (99)
receivable

Inventories (2,022) (2,816)

Prepaid
expenses
and (629) (11)
other

current
assets

Other
non-current (4,441) (256)
assets

Accounts
payable
and (301) (946)
other

accrued
liabilities

Income
and
min(457) 450
taxes
payable

Net
cash
provided
by 16,449 (3,468)
(used in)
operating
activities

Cash
flows
from
investing
activities:

Capital expenditures (6,195)
used in (596) (6,195)

Net
cash
used in (596) (6,195)
investing
activities

Cash
flows
from
financing
activities:

Contributions from 9,680
GRC

Dividends paid (1,917) -

Issuance of 500 common stock -

Repayment of (454) (435)
loans payable

Repayment of (227) (217)
capital leases

Net cash (used in) (2,098) 9,028
provided by financing
activities

Net
increase
(decrease)
in ~~13,755~~ (635)
cash

and
cash
equivalents

Cash
and
cash
equivalents ~~27,774~~ 866
at beginning

of
period

Cash
and
cash
equivalents ~~\$ 41,529~~ \$ 231
at end
of
period

Supplemental
Cash
Flow
Information

Interest
expense ~~\$ 20~~ \$ 50
paid

Income
and
m ~~\$ 1,143~~ \$ -
taxes
paid

Non-cash
investing
and
financing
activities:

Change
in
capital
expenditures ~~\$ 501~~ \$ (1,517)
in

accounts
payable

Change
in
estimate
for ~~\$ 372~~ \$ 1,097
asset
retirement
costs

Stock
contributed
from ~~\$ 100~~
Parent

About Fortitude Gold Corporation

Fortitude Gold is a U.S. based gold producer targeting projects with low operating costs, high margins, and strong returns on capital. The Company's strategy is to grow organically, remain debt-free and distribute substantial dividends. The Company's Nevada Mining Unit consists of five high-grade gold properties located in the Walker Lane Mineral Belt, with the Isabella Pearl gold mine in current production. Nevada, U.S.A. is among the world's premier mining friendly jurisdictions.

Cautionary Statements: This press release contains forward-looking statements that involve risks and uncertainties. If you are risk-averse you should NOT buy shares in [Fortitude Gold Corp.](#) The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in this press release, the words "plan", "target", "anticipate," "believe," "estimate," "intend" and "expect" and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, without limitation, the statements regarding the Company's strategy, future plans for production, future expenses and costs, future liquidity and capital resources, and estimates of mineralized material are forward-looking statements. All forward-looking statements in this press release are based upon information available to the Company on the date of this press release, and the Company assumes no obligation to update any such forward-looking statements.

Forward looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. The Company's actual results could differ materially from those discussed in this press release. In particular, the scope, duration, and impact of the COVID-19 pandemic on mining operations, Company employees, and supply chains as well as the scope, duration and impact of government action aimed at mitigating the pandemic may cause future actual results to differ materially from those expressed or implied by any forward-looking statements. Also, there can be no assurance that production will continue at any specific rate.

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