

# GoGold Resources Inc. Announces NPV of US\$413M for Los Ricos North Initial PEA

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HALIFAX, May 17, 2023 - [GoGold Resources Inc.](#) (TSX: GGD) (OTCQX: GLGDF) ("GoGold", "the Company") is pleased to release the results of its initial Preliminary Economic Assessment ("PEA") at its Los Ricos North Project located in Jalisco State, Mexico. This is the Company's second PEA completed within the Los Ricos District, in addition to the Los Ricos South PEA completed in January 2021, with an updated Mineral Resource Estimate ("MRE") and PEA for Los Ricos South expected to follow this summer.

Highlights of the PEA, with a base case silver price of US\$23/oz and gold price of US\$1,800/oz are as follows (all figures in US dollars unless otherwise stated):

- After-Tax NPV (using a discount rate of 5%) of \$413 Million with an After-Tax IRR of 29% (Base Case);
- 13-year mine life producing a total of 110.3 Million payable silver equivalent ounces ("AgEq"), consisting of 68.0 Million silver ounces, 221,700 gold ounces, 22.8 Million pounds of copper, 144.1 Million pounds of lead and 242.2 Million pounds of zinc;
- Initial capital costs of \$221 Million, including \$29 Million in contingency costs, over an expected 18 month build, additional expansion capital of \$137 Million, and sustaining capital costs of \$6 Million over the life of mine ("LOM");
- Average LOM operating cash costs of \$9.50/oz AgEq, and all in sustaining costs ("AISC") of \$9.68/oz AgEq
- Average annual production of 8.8 Million AgEq oz in years one through twelve;
- Approximately 3/4 of LOM production is from four open pits containing oxide mineralization and approximately 1/4 is from a separate open pit which contains only sulphide mineralization.

"This is a first look at the strong economics around our Los Ricos North Mineral Resource with average annual production of 8.8 Million AgEq oz at a first quartile AISC of \$9.68/oz AgEq. Los Ricos North forms a pipeline of growth after the construction of Los Ricos South, which we see as a high grade bulk underground mine targeted to be our first deposit advanced to production. We look forward to the updated Los Ricos South Mineral Resource including the Eagle Zone and an updated PEA to be completed this summer," said Brad Langille, President and CEO. "The release of this PEA represents one of the milestones for the 2023 year in the Los Ricos District. The other key milestones for the 2023 year in the Los Ricos District are an updated Mineral Resource and PEA in Los Ricos South incorporating the Eagle Zone, followed by a Pre-Feasibility Study in Los Ricos South which is anticipated before year's end. With US\$100 Million in cash we are well positioned to develop Los Ricos South pending the results of the upcoming studies."

## PEA Summary

The PEA was prepared by independent consultants P&E Mining Consultants Inc ("P&E"), with metallurgical test work completed by SGS Canada Inc.'s Lakefield office ("SGS"), process plant design and costing by D.E.N.M. Engineering Ltd., and environmental and permitting led by CIMA Mexico.

Table 1 below shows the key economic assumptions and results of the PEA, with Table 2 showing the physical attributes, Table 3 showing a sensitivity analysis based on varying metal prices and assumptions, and Table 4 showing a sensitivity analysis based on changes to operating and capital costs.

## Table 1 - Los Ricos North PEA Key Economic Assumptions and Results

Assumption / Result	Unit	Value	Assumption / Result	Unit	Value
Total Oxide Feed Mined	kt	25,557	Net Revenue	US\$M	2,307
Total Sulphide Feed Mined	kt	9,964	Initial Capital Costs	US\$M	221
Total Plant Feed Mined	kt	35,521	Sustaining Capital Costs	US\$M	143
Total Strip Ratio	Ratio	6.0	Mining Costs	\$/t Mined	2.07
Mine Life	Yrs	13	Mining Costs	\$/t Plant Feed	12.28
Average process rate	t/day	8,000	Operating Cash Cost	US\$/oz AgEq	9.50
Silver Price	US\$/oz	23.00	All in Sustaining Cost	US\$/oz AgEq	9.68
Gold Price	US\$/oz	1,800	After-Tax NPV (5% discount)	US\$M	413
Copper Price	US\$/lb	4.00	Pre-Tax NPV (5% discount)	US\$M	645
Lead Price	US\$/lb	1.00	After-Tax IRR	%	29.1
Zinc Price	US\$/lb	1.40	Pre-Tax IRR	%	39.8
Payable AgEq	Moz	110.3	After-Tax Payback Period	Yrs	3.0

Table 2 - Los Ricos North PEA Summary of Physical Attributes

Attribute	Unit	Oxide	Sulphide	Total
Plant Feed Mined kt		25,557	9,964	35,521
Silver Grade <sup>1</sup>	g/t	83.2	30.1	68.3
Gold Grade <sup>1</sup>	g/t	0.29	0.07	0.23
Copper Grade <sup>1</sup>	%	-	0.12	0.12
Lead Grade	%	-	0.87	0.87
Zinc Grade	%	-	1.24	1.24
Silver Recovery	%	87	88	87
Gold Recovery	%	87	76	86
Copper Recovery %	-		89	89
Lead Recovery	%	-	75	75
Zinc Recovery	%	-	89	89
Payable Silver	Moz	59.5	8.5	68.0
Payable Gold	koz	205.2	16.5	221.7
Payable Copper	Mlb	-	22.8	22.8
Payable Lead	Mlb	-	144.1	144.1
Payable Zinc	Mlb	-	242.2	242.2
Payable AgEq	Moz	75.5	34.8	110.3

1. Grades shown are LOM average plant feed grades. Dilution of approximately 10% was used.

Table 3 - Los Ricos North PEA Metal Price Sensitivities

Sensitivity	Base Case						
Silver Price (US\$/oz)	17	19	21	23	25	27	30
Gold Price (US\$/oz)	1330	1487	1643	1800	1957	2113	2348
Copper Price (US\$/lb)	2.96	3.30	3.65	4.00	4.35	4.70	5.22
Lead Price (US\$/lb)	0.74	0.83	0.91	1.00	1.09	1.17	1.30
Zinc Price (US\$/lb)	1.03	1.16	1.28	1.40	1.52	1.64	1.83
After-Tax NPV (5%) (US\$M)	120	222	318	413	508	603	746
After-Tax IRR (%)	13.3	19.2	24.3	29.1	33.6	37.9	44.0
After-Tax Payback (years)	5.4	4.4	3.6	3.0	2.5	2.1	1.8

Table 4 - Los Ricos North Operating Expense and Capital Expense Sensitivities

Sensitivity	-20 %	-10 %	Base	10 %	20 %
	Case				
Operating Costs - NPV (US\$M)	503	458	413	368	323
Operating Costs - IRR (%)	33.4	31.2	29.1	26.8	24.5
Capital Costs - NPV (US\$M)	457	435	413	392	370
Capital Costs - IRR (%)	36.3	32.2	28.8	25.9	23.4

### Capital and Operating Costs

The Los Ricos North Project has been envisioned as an open pit mining operation, with contract mining comprising five open pits. The first four pits contain oxide mineralization and will be mined over years one to nine of the Project, with the final pit containing sulphide mineralization which will be mined in years 10 to 13.

The processing plant is comprised of conventional crushing, grinding, cyanide tank leaching, tailings filtration (dry stack), and Merrill Crowe precipitation for the oxide mineralization. For the sulphide mineralization, processing will be completed through a flotation circuit which is included in sustaining capital and will be constructed in year eight of the Project.

Water supply to the process plant will be provided by a nearby surface water source and high voltage grid power will be provided by the local utility.

Key components of the capital cost estimate are provided in Table 5 and operating costs are provided in Table 6.

Table 5 - Capital Cost Estimate

Type	Initial	Expansion	Sustaining	Total
	(US\$K)	(US\$K)	(US\$K)	(US\$K)
Process plant direct costs	141,020	25,864	5,000	171,884
Pre-stripping and haul roads	10,268	88,090		98,358
Project indirect costs	19,108	2,870		21,978
EPCM	13,792	2,328		16,120
Infrastructure	7,680			7,680
Total	191,869	119,151	5,000	316,020
Contingency (15%)	28,780	17,873	750	47,403
Total	220,649	137,024	5,750	363,423

1. Expansion capital is not included in AISC calculations

Table 6 - Operating Costs (Average LOM)

Operating Costs (Average LOM)	US\$/tonne	US\$/tonne Rock
	Plant Feed	
Mining	12.28	2.07
Processing	13.81	
General and admin	1.02	
Total	27.12	

### Mining

The open pit mining will be contracted and carried out by drilling and blasting followed by conventional loading and truck haulage to the waste rock storage facilities and the process plant.

### Metallurgy

A preliminary metallurgical test program was carried out by SGS Lakefield of Ontario, Canada on four Los Ricos North deposit areas - Favor, Trini, Casados, and Orito. Based on the zone geology, Favor, Trini, and Casados (oxide) were designated for whole mineralized material cyanidation testing. The Orito (sulphide) sample was deemed to be flotation ideal. The subsequent oxide testing included grinding (no comminution testing) and leaching only. The sulphide testing included grinding and bulk flotation to produce a single bulk concentrate with locked cycle (LCT) testing completed. The samples were comprised of four drill core rejects representing the noted zones of the Mineral Resource. This preliminary test program estimated a gold and silver oxide recovery of 87% for both. The sulphide recovery on the Orito sample recovered 76% gold, 88% silver, 89% copper, 89% zinc, and 75% lead.

### Mineral Resource Estimate

The basis for the PEA is the Mineral Resource Estimate completed by P&E in the National Instrument 43-101 Technical Report on the Initial Mineral Resource Estimate for the Los Ricos North Project located in Jalisco State, Mexico, which has an effective date of December 1, 2021. A summary of the Mineral Resource Estimate is provided in Table 7.

Table 7: Los Ricos North Mineral Resource Estimate (1-11)

Deposit	Tonnes Average Grade										Contained Metal					
	(Mt)	Au	Ag	Cu	Pb	Zn	AuEq	AgEq	Au	Ag	Cu	Pb	Zn	AuEq	AgEq	
		(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(g/t)	(koz)	(koz)	(Mlb)	(Mlb)	(Mlb)	(koz)	(koz)	
<b>Indicated:</b>																
El Favor	7.7	0.27	98	-	-	-	1.61	119	68	24,413	-	-	-	399	29,454	
Casados	3.2	0.42	124	-	-	-	2.09	154	43	12,871	-	-	-	218	16,061	
La Trini	3.1	0.54	74	-	-	-	1.54	114	54	7,428	-	-	-	155	11,424	
Mololoa	0.4	0.36	130	-	-	-	2.12	157	5	1,788	-	-	-	29	2,161	
Silver-Gold Oxide Zone	14.5	0.37	100	-	-	-	1.71	127	171	46,500	-	-	-	801	59,100	
El Orito Sulphide Zone <sup>1</sup>	7.8	0.06	28	0.11	0.88	1.33	1.55	114	15	7,011	19	151	229	389	28,708	
<b>Total Indicated</b>	<b>22.3</b>						<b>1.66</b>	<b>122</b>	<b>186</b>	<b>53,510</b>				<b>1,190</b>	<b>87,808</b>	
<b>Inferred:</b>																
El Favor	12.4	0.27	89	-	-	-	1.47	108	106	35,505	-	-	-	587	43,350	
Casados	1.8	0.35	108	-	-	-	1.82	135	21	6,323	-	-	-	106	7,843	
La Trini	0.1	0.43	108	-	-	-	1.89	139	1	201	-	-	-	4	260	
Mololoa	0.7	0.39	94	-	-	-	1.66	122	9	2,102	-	-	-	37	2,739	
Silver-Gold Oxide Zone	15.0	0.28	91	-	-	-	1.52	112	136	44,131	-	-	-	734	54,191	
El Orito Sulphide Zone <sup>1</sup>	5.5	0.06	28	0.12	0.74	1.20	1.46	108	11	4,888	15	90	146	258	19,007	
<b>Total Inferred</b>	<b>20.5</b>						<b>1.51</b>	<b>111</b>	<b>148</b>	<b>49,019</b>				<b>992</b>	<b>73,198</b>	

1. El Orito is a silver-base metal sulphide zone, all other deposits are silver-gold oxide zones.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
4. The Mineral Resources in this news release were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines (2014) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council and CIM Best Practices (2019).
5. Historically mined areas were depleted from the Mineral Resource model.
6. Approximately 98.9% of the Indicated and 91.3% of the Inferred contained AgEq ounces are pit constrained, with the remainder out-of-pit. See tables 4 and 6 for details of the split between pit constrained and out-of-pit deposits.
7. The pit constrained AgEq cut-off grade of 29 g/t Ag was derived from US\$1,550/oz Au price, US\$21/oz Ag price, US\$3.66/lb Cu, US\$0.90/lb Pb, US\$1.26/lb Zn, 93% process recovery for Ag and Au, 90% process recovery for Cu, 80% process recovery for Pb and Zn, US\$18/tonne process and G&A cost. The constraining pit optimization parameters were US\$2.00/t mineralized mining cost, US\$1.50/t waste mining cost and 50-degree pit slopes.
8. The out-of-pit AuEq cut-off grade of 119 g/t Ag was derived from US\$1,550/oz Au price, US\$21/oz Ag price, US\$3.66/lb Cu, US\$0.90/lb Pb, US\$1.26/lb Zn, 93% process recovery for Ag and Au, 90% process recovery for Cu, 80% process recovery for Pb and Zn, US\$57/t mining cost, US\$18/tonne process and G&A cost. The out-of-pit Mineral Resource grade blocks were quantified above the 119 g/t AgEq cut-off, below the constraining pit shell within the constraining mineralized wireframes and exhibited sufficient continuity to be considered for cut and fill and longhole mining
9. No Mineral Resources are classified as Measured.
10. AgEq and AuEq calculated at an Ag/Au ratio of 73.8:1.  
The Preliminary Economic Assessment Technical Report will be filed on SEDAR within 45 days of this news release. ~~releas~~ may not agree due to rounding

#### Qualified Persons

Robert Harris, P.Eng. and David Duncan, P.Geo. are the GoGold Qualified Persons and Eugene Puritch, P.Eng., FEC, CET, President of P&E Mining Consultants Inc. and David Salari, P. Eng., DENM Engineering Ltd. are Independent Qualified Persons all as defined by National Instrument 43-101 and whom are responsible for the technical information in this press release.

#### VRIFY Slide Deck and 3D Presentation

VRIFY is a platform being used by companies to communicate with investors using 360° virtual tours of remote mining assets, 3D models and interactive presentations. VRIFY can be accessed by website and with the VRIFY iOS and Android apps.

The VRIFY 3D Slide Deck for GoGold can be viewed at: <https://vrify.com/companies/gogold-resources-inc> and on the Company's website at: [www.gogoldresources.com](http://www.gogoldresources.com).

#### Los Ricos District Exploration Projects

The Company's two exploration projects at its Los Ricos Property are in Jalisco state, Mexico. The Los Ricos South Project began in March 2019 and an initial Mineral Resource Estimate was announced on July 29, 2020, which disclosed a Measured & Indicated Mineral Resource of 63.7 Million ounces AgEq grading 199 g/t AgEq contained in 10.0 Million tonnes, and an Inferred Mineral Resource of 19.9 Million ounces AgEq grading 190 g/t AgEq contained in 3.3 Million tonnes. An initial PEA on the Project was announced on

January 20, 2021, indicating an after-tax NPV<sub>5%</sub> of US\$295M. The Eagle Concession was acquired in October 2022 and is adjacent to the Main Area which contains the initial Mineral Resource.

The Los Ricos North Project was launched in March 2020 and an initial Mineral Resource Estimate was announced on December 7, 2021, which disclosed an Indicated Mineral Resource of 87.8 Million ounces AgEq grading 122 g/t AgEq contained in 22.3 Million tonnes, and an Inferred Mineral Resource of 73.2 Million ounces AgEq grading 111 g/t AgEq contained in 20.5 Million tonnes.

#### 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 operates the Parral Tailings mine in the state of Chihuahua and has the Los Ricos South and Los Ricos North exploration Projects in the state of Jalisco. 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 Los Ricos South and North projects, and future plans and objectives of GoGold, including the NPV, IRR, initial and sustaining capital costs, operating costs, and LOM production of Los Ricos South, 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.

SOURCE [GoGold Resources Inc.](http://gogoldresources.com)

#### Contact

Steve Low, Corporate Development, GoGold Resources, T: 416 855 0435, E: [steve@gogoldresources.com](mailto:steve@gogoldresources.com)

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