

NEWS RELEASE

December 21, 2018
PR #13 - 2018

Trading Symbol: TSX: GGD
Shares Outstanding: 171,776,481

GoGold Announces Financial Results and Record Production for the Year Ending September 30, 2018

Halifax, NS – GoGold Resources Inc. (TSX: GGD) (“GoGold”, “the Company”) is pleased to announce the release of financial results for the quarter and year ending September 30, 2018 with record revenue of \$21.0 million (All amounts are in U.S. dollars) from the sale of 781,672 silver ounces and 6,933 gold ounces during the year.

Financial Highlights for the year ending September 30, 2018:

- Record production of 774,590 silver and 6,655 gold ounces, providing 1,300,046 silver equivalent ounces at Parral
- Record revenue of \$21.0 million from the sale of 781,672 silver ounces and 6,933 gold ounces, a realized price of \$15.79 per silver equivalent ounce and a net loss of \$43.7 million.
- Executed agreement for sale of the 2% net smelter royalty on Santa Gertrudis for gross proceeds of \$12 million which closed on November 7, 2018 which brings the total proceeds on the sale of Santa Gertrudis project to \$92 million.
- Cash flow from operations before changes in non-cash working capital of \$3.0 million, or 2 cents per basic share
- Adjusted cash cost per ounce of silver, net of gold by-product credits was \$6.24
- Adjusted cash cost per silver equivalent ounce was \$10.20
- Adjusted all in sustaining cost per silver equivalent ounce was \$14.46
- Ended the year with a strong balance sheet with \$8.3 million in cash plus \$12 million in proceeds from the sale of the net smelter royalty that closed subsequent to the year end and no debt

Mr. Brad Langille, CEO stated, “The Company is in a very strong financial position and is actively looking at opportunities to add quality undervalued assets. I am very pleased with the pace at which production is increasing as Parral gets back up to normal production levels. We expect production for the current quarter to be between 325,000 and 355,000 silver equivalent ounces.”

GoGold generated record revenue from record production for the year end September 30, 2018, with low adjusted cash costs per silver equivalent ounce. 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. The royalty sale brought the total proceeds on the disposition of Santa Gertrudis to \$92 million which the Company purchased in 2014 for \$11 million and invested an additional \$9 million for a total investment of \$20 million.

The net loss for the year includes a non-cash impairment of \$48.2 million, a write-down of the leach pad inventory of \$13.9 million and a net realizable value adjustment related to inventory of \$12.7 million. These amounts were all non-cash and had no impact on the Company’s strong cash position. Parral was

constructed and operated according to independent third party technical studies undertaken prior to construction. The technical studies did not scale in the field as expected and over the past number of years the operating protocols have been overhauled a number of times, before concluding on the current procedures that are delivering results. The inventory write down is associated with specific areas of the leach pad stacked in 2016 and 2017 where agglomeration was poor and the material was compacted for the second lift. The material stacked at the end of 2018 continues to recover in accordance with expectations.

Production for the quarter ending September 30, 2018 was 240,939 silver equivalent ounces which was the lowest production quarter for the year. The final test required on the heap leach pad took place in April 2018 where the Company began irrigating the second lift on a non-compacted first lift to test whether compaction of the first lift is required. The results of this test concluded that compaction of the first lift will be required as without compaction, there is a delay in the recovery of metal from the material processed above on the second lift. During the third quarter, the Company began compacting the first lift and placed drainage pipes on top before the second lift is placed. This will replicate single lift leaching, which has been proven to perform well. The Company has been stacking on the first lift or above a compacted lower lift with additional drainage between lifts and production continues to increase back to normal levels.

Financial Highlights for the quarter ending September 30, 2018:

- Revenue of \$3.5 million from 241,774 silver equivalent ounces, a realized price of \$14.44 per silver equivalent ounce
- Adjusted cash cost per ounce of silver, net of gold credits was \$1.07
- Adjusted cash cost per silver equivalent ounce was \$7.92
- Adjusted all in sustaining cost per silver equivalent ounce was \$12.50
- Produced 105,623 silver and 1,665 gold ounces, providing 240,939 silver equivalent ounces

Summarized Consolidated Financial Information <i>(in thousands USD, except per share amounts)</i>	<i>Three months ended</i> <i>September 30</i>		<i>Year ended September 30</i>	
	2018	2017	2018	2017
Revenue	\$ 3,492	\$ 4,444	\$ 21,016	\$ 17,045
Cost of sales ¹	\$ 25,610	\$ 13,183	\$ 45,294	\$ 23,179
Operating loss	\$ (23,089)	\$ (10,227)	\$ (28,412)	\$ (9,743)
Net loss ²	\$ (68,520)	\$ (1,501)	\$ (42,213)	\$ (584)
Basic net loss per share	\$ (0.39)	\$ (0.01)	\$ (0.42)	\$ (0.003)
Cash flow from operations, before changes in non-cash working capital	\$ 1,660	\$ 2,091	\$ 3,038	\$ 3,551

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

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

Key Performance Indicators¹ <i>(in thousands USD, except per ounce amounts)</i>	<i>Three months ended</i> September 30		<i>Year ended September 30</i>	
	2018	2017	2018	2017
Total tonnes stacked	370,558	279,717	1,619,061	1,166,789
Adjusted AISC per silver equivalent ounce ^{2,4}	\$ 12.50	\$ 22.42	\$ 14.46	\$ 18.31
Adjusted cash cost per silver ounce ^{3,4}	\$ 1.07	\$ 4.03	\$ 6.24	\$ 1.80
Adjusted cash cost per silver equivalent ounce ^{2,4}	\$ 7.92	\$ 10.18	\$ 10.20	\$ 9.39
Realized silver price	\$ 14.44	\$ 16.96	\$ 15.79	\$ 16.40

¹Key performance indicators are unaudited non-GAAP

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 consolidated financial statements for the year ended September 30, 2018, notes to the financial statements, and management's discussion and analysis for the year ended September 30, 2018, 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.

For further information please contact:

Steve Low, Corporate Development
GoGold Resources Inc.,
T: 416 855 0435

Email : steve@gogoldresources.com

Or visit : www.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 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 20, 2018, for the year ended September 30, 2018, as presented on SEDAR.