

NEWS RELEASE

December 16, 2016
PR #19 - 2016

Trading Symbol: TSX: GGD
Shares Outstanding: 171,376,481

GoGold Announces Revenue of \$16.7 Million with Net Operating Income of \$943,000

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, 2016 with an operating income of \$943,000 for the year (All amounts are in U.S. dollars). GoGold recorded revenue of \$16.7 million from the sale of 640,121 silver ounces and 5,533 gold ounces during the year.

Financial Highlights for the year ending September 30, 2016:

- Revenue of \$16.7 million from the sale of 640,121 silver ounces and 5,533 gold ounces, a realized price of \$15.50 per silver equivalent ounce
- Operating income of \$943,000
- Cash flow from operations before changes in non-cash working capital of \$3 million, or 2 cents per basic share
- Cash cost per ounce of silver, net of gold by-product credits was \$0.76
- Cash cost per silver equivalent ounce was \$6.60
- All in sustaining cost per silver equivalent ounce was \$10.93
- Produced 654,864 silver and 6,028 gold ounces, providing 1,111,629 silver equivalent ounces

GoGold generated record revenue for the year end September 30, 2016, and cash costs per silver equivalent ounce continue to be near industry lows. The Company has recovered from the severe rainfalls that took place during the fourth quarter and grades and production are increasing to more normal levels. The focus continues to be on optimizing the agglomeration and the chemistry to speed up the recovery time. In November, the Company commissioned an oxygen plant to increase oxygen levels in the pad and increased cyanide concentration levels. Early indications are showing an immediate positive impact on the speed of recovery. Also, the Company is currently commissioning a sulphidization, acidification, recycling and thickening (“SART”) plant which will lower cyanide costs by recycling of cyanide within the process, as well as providing revenues from base metals.

In October 2016, the Company began construction of the vat leach facility at Santa Gertrudis. Construction is ongoing and the first ore is expected to be treated in April 2017. Toll milling of high grade surface material began in September 2016 at the Santa Gertrudis project, a total of 331 ounces of gold and 384 silver ounces were sold in the quarter for revenues of \$448,000. This is expected to provide significant cash flow during the construction of the initial phase at the vat leach plant which is expected to be completed in March 2017.

Financial Highlights for the quarter ending September 30, 2016:

- Revenue of \$2.65 million from 139,971 silver equivalent ounces, a realized price of \$18.96 per silver equivalent ounce
- Operating loss of \$747,000
- Cash cost per ounce of silver, net of gold credits was \$(5.20)
- Cash cost per silver equivalent ounce was \$7.50
- All in sustaining cost per silver equivalent ounce was \$21.24
- Produced 69,358 silver and 1,260 gold ounces, providing 156,636 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>	
	2016	2015	2016	2015
Revenue	\$ 2,654	\$ 5,023	\$ 16,701	\$ 12,521
Cost of sales	\$ 1,811	\$ 3,134	\$ 7,289	\$ 7,039
Operating income (loss)	\$ (747)	\$ 1,335	\$ 943	\$ 1,890
Net loss ¹	\$ (1,291)	\$ (2,323)	\$ (20,778)	\$ (6,082)
Basic net loss per share	\$ (0.008)	\$ (0.014)	\$ (0.13)	\$ (0.04)
Cash flow from operations, before changes in non-cash working capital	\$ (448)	\$ 2,279	\$ 3,473	\$ 3,538

¹Net loss in the year ended 2016 includes an impairment charge of \$20,030 recorded on the San Diego property.

Key Performance Indicators¹ <i>(in thousands USD, except per ounce amounts)</i>	<i>Three months ended</i> <i>September 30</i>		<i>Year ended September 30</i>	
	2016	2015	2016	2015
Total tonnes stacked	332,628	375,734	1,834,888	1,584,798
All in sustaining cost per silver equivalent ounce ³	\$ 21.24	\$ 7.30	\$ 10.93	\$ 8.69
Cash cost per silver ounce ²	\$ (5.20)	\$ 3.59	\$ 0.73	\$ 4.49
Cash cost per silver equivalent ounce ³	\$ 7.50	\$ 5.65	\$ 6.60	\$ 5.77
Realized silver price	\$ 18.96	\$ 14.46	\$ 15.50	\$ 15.15

¹Key performance indicators are unaudited non-GAAP ²Using Gold as a by-product credit ³Gold is converted using actual realized prices

This news release should be read in conjunction with the consolidated financial statements for the year ended September 30, 2016, notes to the financial statements, and management's discussion and analysis for the year ended September 30, 2016, 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.

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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 14, 2016, for the year ended September 30, 2016, as presented on SEDAR.