



NEWS RELEASE

December 16, 2021
PR #44 – 2021

Shares Outstanding: 278,009,867
Trading Symbols: TSX: GGD
OTCQX: GLGDF

Parral Generates Record \$24.8M USD of Free Cash Flow for Year Ending September 30, 2021

Halifax, NS – GoGold Resources Inc. (TSX: GGD) (OTCQX: GLGDF) (“GoGold”, “the Company”) is pleased to announce the release of financial results for the year ending September 30, 2021 with record revenue of \$53.2 million (all amounts are in U.S. dollars) from the sale of 2.2 million silver equivalent ounces.

“With the cash flow from Parral covering our general and administrative expenses as well as a large portion of our exploration costs at Los Ricos for 2021, we were able to increase our market capitalization by 98%. Our discovery cost at Los Ricos was only \$0.12 per silver equivalent ounce,” said Brad Langille, President and CEO stated. “In 2022, we see the opportunity to continue achieving an exceptional return on exploration dollars invested in Los Ricos.”

Highlights for the year ending September 30, 2021:

- Free cash flow from Parral of \$24.8 million
- Company cash flow from operations before working capital of \$18.9 million, \$12.4 million after working capital
- Adjusted net income of \$11.0 million, adjusted for a one-time loss related to the non-cash off-take agreement amendment of \$3.9 million
- Revenue of \$53.2 million on the sale of 2.2 million silver equivalent ounces at a realized price per ounce of \$24.33 per oz
- Cash of \$66.8 million USD
- Production of 2,270,073 silver equivalent ounces, consisting of 1,138,358 silver ounces, 13,447 gold ounces, and 470 copper tonnes

At Los Ricos, the Company drilled 86,915 metres on the project compared to 36,100 metres in the prior year. The Company capitalized \$21.3 million to the projects for drilling, exploration and consulting for the year ending September 30, 2021, compared to \$8.3 million in the prior year. This included \$17.5 million at Los Ricos North and \$3.8 million at Los Ricos South. The increased drilling culminated with the release of the Company’s initial Mineral Resource Estimate at Los Ricos North which showed an Indicated Resource of 87.8 million silver equivalent ounces (“AgEq”), grading 122 g/t AgEq in 22.3 million tonnes, as well as an Inferred Resource of 73.2 million ounces AgEq, grading 111 g/t AgEq in 20.5 million tonnes. See press release dated December 7, 2021 for additional details regarding the Los Ricos North Mineral Resource Estimate. The Company’s discovery cost at Los Ricos North was \$0.12/oz AgEq.

The Corporation amended the off-take agreement on April 29, 2021 whereby the Corporation has agreed to sell to the counterparty 2.4% of all the refined gold and refined silver produced at Parral over the remaining life of the operation at a price equal to 30% of the prevailing market price. The amended

agreement resulted in the Corporation recording a non-cash pre-tax loss on onerous contract provision of \$3.9 million. Management estimates the amendment will provide a net cash benefit to the Corporation of approximately 2% of revenue on a monthly basis going forward. From amendment until September 30, 2021, the new agreement provided cash savings of \$0.3 million.

Financial Highlights for the quarter ending September 30, 2021:

- Free cash flow from Parral of \$4.2 million
- Company cash flow from operations before working capital of \$2.5 million, \$0.5 million after working capital
- Net income before income tax of \$1.0 million, net loss of \$0.3 million
- Revenue of \$10.9 million on the sale of 475,734 silver equivalent ounces at a realized price per ounce of \$23.02

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

Summarized Consolidated Financial Information <i>(in thousands USD, except per share amounts)</i>	<i>Three months ended Sep 30</i>		<i>Year ended Sep 30</i>	
	2021	2020	2021	2020
Revenue	\$ 10,949	\$ 13,756	\$ 53,232	\$ 39,548
Cost of sales, including depreciation	8,435	8,201	33,625	30,597
Operating income (loss) ¹	178	4,225	8,002	3,952
Net income (loss) ¹	(327)	44,604	7,080	43,148
Adjusted net income ¹	(327)	44,604	10,991	43,148
Basic net income (loss) per share	(0.001)	0.206	0.026	0.206
Cash flow from operations	538	5,473	12,384	8,749

¹Year ended September 30 includes one-time loss on onerous contract provision of \$3,911.

Key Performance Indicators¹ <i>(in thousands USD, except per ounce amounts)</i>	<i>Three months ended Sep 30</i>		<i>Year ended Sep 30</i>	
	2021	2020	2021	2020
Total tonnes stacked	468,117	417,803	1,815,929	1,398,633
Silver equivalent ounces sold	475,734	605,723	2,187,665	2,197,579
AISC per silver equivalent ounce ²	\$ 19.29	\$ 14.31	\$ 16.81	\$ 14.72
Cash cost per silver equivalent ounce ²	\$ 14.25	\$ 11.97	\$ 13.11	\$ 12.24
Realized silver price	\$ 22.81	\$ 22.71	\$ 24.33	\$ 18.00

¹Key performance indicators are unaudited non-GAAP measures.

²Gold and copper are converted using average market prices.

This news release should be read in conjunction with the consolidated financial statements for the year ended September 30, 2021, notes to the financial statements, and management's discussion and analysis for the year ended September 30, 2021, 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.

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.

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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 Parral tailings project, the Los Ricos project, future operating margins, future production and processing, and 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 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 the GoGold's projects, the failure to establish estimated mineral resources or mineral reserves, volatility of commodity prices, variations of recovery rates, the effects of the global COVID-19 pandemic, 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 15, 2021, for the year ended September 30, 2021, as presented on SEDAR.