



## **2020** Sustainability Update





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# ABOUT THIS SUSTAINABILITY UPDATE

// **This update provides an overview of our performance from January to December 2020, highlighting our achievements and GoGold’s approach to addressing key sustainability challenges in our industry.**

It is with great enthusiasm that we are releasing our first sustainability update, which details our performance in the areas we’ve identified as the most important social, environmental and economic impacts of GoGold’s operations. These areas include governance, health and safety, our people and communities, and environmental stewardship.

This update provides an overview of our performance from January to December 2020, highlighting our achievements and GoGold’s approach to addressing key sustainability challenges in our industry.

The topics included in this update were chosen after careful review of the Sustainability Standards and Accounting Board (SASB)

Metals and Mining Sustainability Accounting Standard, the Global Reporting Initiative (GRI) G4 Mining and Metals Sector Disclosures, and the World Gold Council’s Responsible Gold Mining Principles.

Following this update, which is prepared primarily for investors, we intend to undertake a comprehensive stakeholder assessment to ensure that the issues we’ve identified align with the priorities of all of our relevant stakeholder groups. In future updates we intend to provide performance data and metrics that are aligned with industry-leading standards.

This update signifies the beginning of a journey that will ultimately improve how we do

business year over year, and will contribute to our vision of creating sustainable social and economic development in the regions where we operate. It outlines our commitment to maintaining the highest of standards in ethical governance, and to building relationships with our stakeholders based on honesty and respect.

GoGold knows that sustainability is an ongoing process requiring continuous innovation and collaboration to succeed.

# WHO WE ARE

- GoGold is a Canadian mining company that has been operating in Mexico since 2011. It works in close partnership with its wholly owned Mexican subsidiary company in the field, Grupo Coanzamex S.A. de C.V., who oversees all of the company’s field operations in Mexico and is actively involved in implementing sustainability considerations into our operations.



## Our Vision

Our vision is to achieve a balance between economic prosperity, environmental conservation, and social responsibility in all of our operations, and this balance will have lasting positive impacts on the communities where we operate.



## Our Values

Our commitment to maintain the health, safety and welfare of our communities and our workforce is front of mind in everything we do, allowing us to address social and environmental challenges while also maintaining an economically healthy business.





# GOGOLD, AT A GLANCE

## Parral Tailings

The community of Parral, Mexico is home to tailings left over from 340 years of mining operations, which contain significant amounts of silver and gold, and these tailings have become an issue for local residents as tailings pose a risk to community health and the local environment if not properly contained. GoGold acquired the right to process the 21.3 million tonnes of tailings grading 38 g/t silver and 0.31 g/t gold in 2012. GoGold’s Parral heap leach facility safely extracts minerals from the tailings sites while supporting reclamation by removing tailings waste.

The 141 hectare site contains  
**21.3 million**  
tonnes of tailings to be processed.



## ■ Esmerelda Tailings

In February 2015, GoGold acquired the Esmerelda tailings property containing 5.77 million tonnes at 49 g/t silver and 0.26 g/t gold for an estimated 13.3 million silver equivalent ounces. Material from Esmerelda is expected to be processed at GoGold’s existing Parral heap leach facility.



## Los Ricos Exploration

### ■ Los Ricos North

The Los Ricos North project was launched in March 2020 and includes over 100 targets identified by GoGold’s exploration team. A 100,000m drilling program for 2021 is under-way, with 8 drill rigs across 4 sites.

### ■ Los Ricos South

The Los Ricos South project diamond drilling program began in March 2019, and an initial resource was announced on July 29, 2020. An initial preliminary economic assessment on the project was announced on January 20, 2021 indicating an NPV<sub>5%</sub> of \$295 million USD.



# LETTER FROM THE CEO



**Bradley Langille**  
President & CEO, Director

**At GoGold, community is everything. Our philosophy has always been to do business in a way that not only helps our communities and employees thrive, but that also protects natural ecosystems while increasing shareholder value. Acting on our values, our strong commitment to upholding ethical practices, and strict regulatory compliance has solidified a positive reputation for GoGold in the communities in which we operate and beyond.**

GoGold set out to advance innovation in the sustainable recovery of precious metals and minerals. Our work at Parral contributes to environmental reclamation by removing centuries of historic tailings. In 2020, we

achieved the removal of 1.9 million tonnes, contributing to the future well-being of the land and community.

2020 was an unprecedented year. Despite COVID-19, we oversaw extraordinary growth for our shareholders while achieving significant milestones, including the launch of our second exploration project at our Los Ricos site, and the completion of our SART (sulphidisation, acidification, recycling and thickening) heap leaching plant at our Parral site. Our company's wholly-owned Mexican subsidiary, Grupo Coanzamex, was also a recipient of a prestigious award for social responsibility in Mexico—the Distintivo ESR ®—granted to companies achieving high standards in sustainability.

The pandemic required a re-evaluation of every aspect of our operations for both efficiency and safety. It also represented an opportunity for us to continue to strengthen our relationships with surrounding communities. At the pandemic's outset, GoGold health and safety teams were quick to institute safety precautions to keep workers safe and minimize the spread of COVID-19. We also supported local communities in sanitation and testing, in addition to making major contributions to local food banks, helping ensure

our workforce went home to healthy families.

We will continue to work collaboratively with our communities to mitigate risks, and to sustain the great work that we have accomplished to this point. I am confident that our continued focus on fostering a workplace that values respect, loyalty, honesty and transparency will ensure GoGold can make it through any challenge.

Everyone at GoGold is pleased to be able to share the work that has gone into making our company more sustainable. Though GoGold has been focused on sustainability for several years, we understand the evolving need to disclose our efforts to stakeholders, and the need to communicate our progress in these areas. This is an important step as we seek to increase transparency and ensure we have the trust of our stakeholders as we move to develop our new Jalisco site in 2022, as well as look ahead to developing additional assets into the future.

Sincerely,



## 2020 Performance Highlights

**1.9**

million tonnes of tailings waste removed at our Parral operations

**30,000**

m<sup>3</sup> of water saved at our Parral operations

**12,000**

hours of safety and professional development training

**\$1.1**

million USD spent on community investment including sponsorships, donations and community benefit agreements



Recipient of the Distintivo ESR ® award in Mexico for Grupo Coanzamex's achievements in social responsibility



# GOVERNANCE

## Integrating Sustainability

GoGold is building a model for embedding sustainability into its decision-making at every level. This model will incorporate operational excellence, our sustainability commitments, and working with our stakeholders so that we are always considering the longevity of our business and the welfare of our workforce and community.

We are working towards sustainable development through an emphasis on exceeding standards of environmental stewardship and community engagement. It is anchored to a belief that mitigating the adverse impacts associated with mining operations will be equally as beneficial for our business as it will for those whose lives we touch.

## Business Conduct and Ethics

GoGold's Code of Business Conduct and Ethics has been adopted by our Board of Directors. This Code embodies the commitment of GoGold and its subsidiaries to conduct our business in accordance with all applicable laws, rules and regulations and high ethical standards. The Code applies to every GoGold employee, including our senior executives and members of the Board of Directors. Contractors and third party vendors are also expected to meet the standards contained in the Code.

**We expect the actions of all GoGold employees, consultants, officers and directors to reflect honesty, integrity and impartiality, and that all business should be done in a manner that:**

- Complies with laws, rules, and regulations
- Avoids conflicts of interest
- Protects confidential information
- Adheres to good disclosure practices, in accordance with applicable legal and regulatory requirements



# OUR STAKEHOLDERS

We understand that social licence is a crucial part of doing business, which is why GoGold’s business strategy is based on considering sustainable development in our commitments to our stakeholders. This includes maintaining the health and well-being of our communities, our environment and our workforce, while minimizing risks.

GoGold is working to build partnerships with all of our stakeholders, including government institutions, investors, suppliers, or community members. We will base these relationships on honesty and integrity, and respect all differences, whether political, religious, social or economic. By working together to identify shared values and goals, we can all share the benefits of sustainable development.

■ GoGold builds strong working relationships with all of our key stakeholders.



### Contractors & Suppliers

GoGold works with trusted contractors who provide expert services that improve the outcomes of our operations. To keep our processes moving, we rely on our vendors to maintain a consistent flow of supplies to our sites while ensuring standards for quality and safety are met.



### Internal Stakeholders

GoGold’s employees are essential to our operations, and we will continue to look for ways to build on existing efforts to keep them safe, healthy and feeling valued in their work.



### Municipal, State and Federal Government

GoGold is working closely with officials at all levels of government to ensure we are meeting all standards and compliance measures to keep our people and our environment safe while contributing to economic development.

## How Stakeholders Inform Our Approach

The journey to sustainable development requires collaboration and involves considering our stakeholders’ perspectives in our processes. This year, GoGold is delivering on our commitments to inform, engage and partner with local stakeholders, investors and regulators. This partnership approach is critical to advancing our development strategy and characterizes our work from the boardroom to the operations on the ground.

## Moving Forward

Our recent work to more clearly understand the material impacts of our operations is bringing greater focus, measurement and transparency to our stakeholder engagement and communications. The strengths and advantages of sustainable mining methodologies are inspiring our strategy and informing our future.







# HEALTH & SAFETY

## Health & Safety at GoGold

Over the last year, we have made further improvements to our mining operations and facilities, allowing for safer and more efficient workspaces for our employees and contractors. GoGold’s policies outline our requirements for job site safety, as well as training requirements and schedules, responses to unsafe behaviour or working conditions, and required schedules for medical checkups. Our approach also involves making investments in personal protective equipment (PPE). We facilitate quality and innovation, ensuring our PPE will be reliable and will minimize safety risks on site. We believe a strong safety culture keeps our workforce healthy and productive, reduces time lost and site shutdowns, minimizes operational errors, and protects vital infrastructure. That is why we will continue to encourage staff to always look for safety improvements in our daily processes and to promote a culture that puts safety first.

There were no fatalities reported at any GoGold sites. However, there was one serious injury recorded at our Los Ricos North site and two injuries recorded at our Parral Tailings site over a combined 1,029,424 hours. In 2020, all labour power was diverted from our Los Ricos South site to Los Ricos North, so no safety data is available for Los Ricos South this year.

- Our focus is on driving safe work behaviour in our operations and continuously improving our procedures to protect the health and safety of all of our stakeholders on our projects.

Table 1. 2020 Safety and Incident Tracking

|                 | Deaths | Accidents | LTIFR<br>(Lost Time Injury<br>Frequency Rate)* |
|-----------------|--------|-----------|--|
| Parral Tailings | 0      | 2         | 2.78   |
| Los Ricos North | 0      | 1         | 3.24   |

\*LTIFR calculated as the number of lost time injuries per 1,000,000 hours worked  
Data source: 2020



# SAFETY ON SITE

■ Promoting health and safety at all GoGold sites is one of the fundamental building blocks for maintaining sustained growth for the company. It reduces workplace accidents and shutdown time and contributes to the care and maintenance of vital infrastructure. Work-related accidents and illnesses can be prevented through implementing and enforcing safety protocols and procedures.

## Safety Procedure Highlights



### Design Stage

Safety considerations are embedded into the design and engineering of GoGold infrastructure and equipment prior to building.



### Site Inspections

Every area on all GoGold sites undergoes regular safety inspections to identify any new safety hazards and ensure existing procedures are being followed and executed correctly.



### Training

New staff are trained before entering any GoGold sites. Training identifies potential risks relevant to each individual's specific job duties and outlines control measures for mitigating those risks.



### Weather Monitoring

GoGold monitors for extreme weather events that might affect staff safety or damage company assets.



### Planning

All sites have emergency plans outlined for all possible incidents.



### Personnel

Personnel undergo medical screening to ensure they are fit for work.

# ADDRESSING COVID-19

2020 was an unprecedented year for everybody as COVID-19 spread, particularly for organizational health and safety teams. As an industry, we faced significant challenges working to rapidly implement appropriate safety measures to keep our workers and their families safe while maintaining operations. As soon as the pandemic began, GoGold's safety team had implemented safety measures. They remained vigilant throughout the year, adapting our policies and procedures as needed to protect our employees.

Our safety team's swift and rigorous response to prevent the spread of COVID-19 was awarded recognition from the Secretaría de Salud (Ministry of Health). Due to high rates of testing and rigorous safety procedures, GoGold reported zero hospitalizations or deaths due to CO-

VID-19. We are enormously proud and eternally grateful for the work of our safety team, and for all GoGold employees who consistently followed procedures and kept our worksites safe.

At all GoGold sites, all workers were required to monitor for symptoms, and anyone who began to show symptoms were given a rapid test. Operations and staff meetings were held outside at a safe distance, and attendees were required to wear face coverings and safety glasses

Employees and contractors at our Los Ricos site stay at an on-site camp during rotational shifts. To prevent the spread of COVID-19, all employees and contractors were tested during every shift change, before arriving at camp.

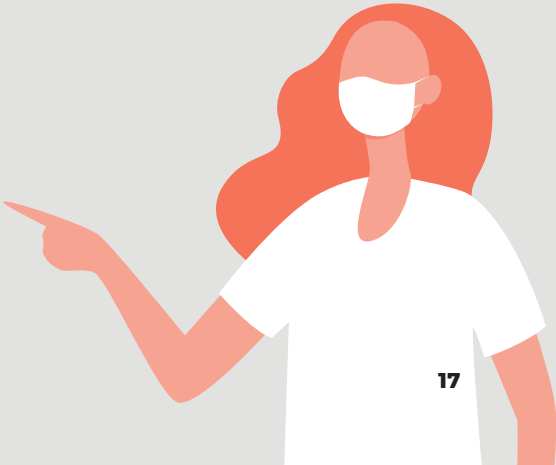
At our Parral site, where workers live in town and take a bus to

site, additional safety measures were taken. We engaged a cleaning company to sanitize the buses used for transport, and the buses were limited to 50% capacity to maintain physical distancing. Once at site, workers' temperatures were checked before entering plant facilities.

## Community Support

The safety of our employees and their families not only depends on how GoGold responds to the COVID-19 crisis, it also depends on the community's ability to respond. GoGold supported surrounding communities in preventing the spread of COVID-19 by contributing to town sanitation efforts and by donating rapid test kits for use on community members.

// **Our safety team's swift and rigorous response to prevent the spread of COVID-19 was awarded recognition from the Secretaría de Salud (Ministry of Health).**





# CONTRACTOR SAFETY

GoGold requires its contractors to take the health and safety of everyone on site as seriously as we do, which is why we have a strict supplier code of conduct in place. We work in partnership with them to share learnings and resources. This partnership approach has led to reductions in time lost since 2017. All contractor personnel are

also required to undergo the same level of health and safety training as GoGold employees before being allowed to enter any of our sites. These protocols ensure any health or safety risks are minimized for both our contractors and our staff working alongside them.



Field meeting at our Parral site, 2019

# EMERGENCY SERVICES

// **GoGold has committed to working alongside government and other private sector partners to support the community in emergency situations by providing trained personnel and equipment.**

GoGold has seven trained Emergency Medical Technicians on site to improve our emergency response. These employees are able to provide rapid response and first responder treatment in case of an emergency. We also carry out emergency drills with the surrounding community in partnership with local government and private stakeholders to

ensure everyone is prepared to respond should an incident occur. In an effort to further support our community in improving its own health and safety, GoGold is a member of a local committee called CLAMsur (Local Mutual Aid Committee of Southern Chihuahua). As part of this committee, GoGold has committed to working alongside government and

other private sector partners to support the community in emergency situations by providing trained personnel and equipment. GoGold will continue to work every day to ensure our workers and rescue team are prepared for any emergency that may arise inside and outside the company.



**GoGold has seven trained Emergency Medical Technicians on site to improve our emergency response**



# ENVIRONMENTAL STEWARDSHIP

To sustain our business and our communities for years to come, it is essential that our impact on the climate and the ecosystems where we operate is considered in all of our processes.



While GoGold has an ethical obligation to minimize our environmental impact, it is also in our best interest as a company to invest in greater operational efficiencies, minimize waste, avoid pollutants, and incorporate environmental risk management into our decision-making.

**Our current environmental programming includes:**

- Refining our heap leaching process
- Water management
- Waste and hazardous materials management
- Land rehabilitation
- Reduction in energy use



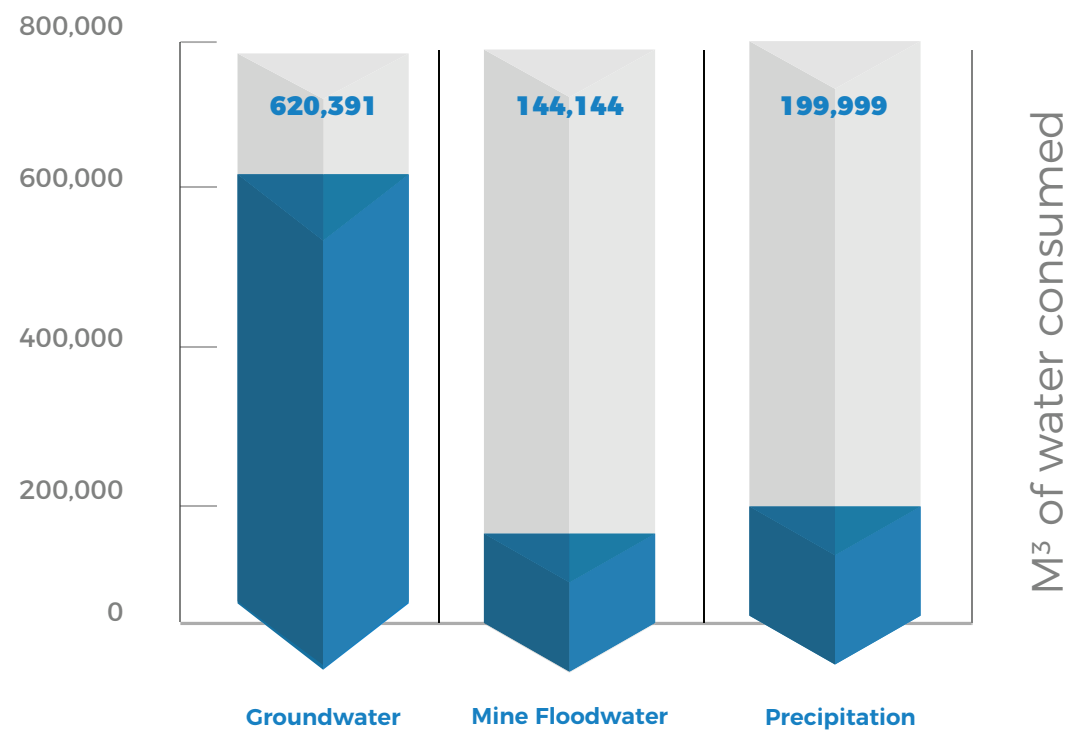
# WATER MANAGEMENT

306,653 m³ of water recycled across our operations in 2020

Working in more arid climates in Mexico, GoGold recognizes that water is a scarce and precious resource for the surrounding communities. Looking for ways to drive down water use is an important environmental consideration that can have a direct impact on the lives of the people around us.

GoGold is committed to going above and beyond to eliminate the need for water in our processes. However, it is still required for certain aspects of our operations. We will continue to track our water use year over year to monitor progress.

Figure 1. Total water consumed across operations, by source\*



\*Total water consumed = Total water withdrawn - Total water discharged  
Data source: 2020

## Los Ricos

GoGold is permitted under the Comision Nacional del Agua (National Water Commission) to access water accumulated in a flooded retired mining site called “Casados” for our Los Ricos operations. This site accumulates an average of 844mm of rainfall per year, which contributes to the recovery of the site, maintaining a sustainable source of water year over year. Once used, this water is considered “un-industrial” which means it is non-toxic and safe to be reintroduced into small freshwater rivers in the region. This process in mining exploration is government regulated to prevent toxic chemicals from entering the water system.

We are also working to further create a sustainable supply of water and eliminate its need altogether. We have a 500 000 m³ reservoir on site for capturing water during the rainy season, which is then used during the dry season when water is more scarce.

## Parral

At GoGold’s Parral tailings site, we are creating a closed-loop water system, recycling almost all of the water we use. However, we do lose some water to evaporation each year, particularly during the dry season.

GoGold has implemented several new projects that have saved around 30,000 m³ annually:

- We are using a new irrigation system, eliminating the surface area used for irrigation on our heap leach pad by 40%.
- We replaced flush toilets with urinals in our restrooms, reducing the need to flush water for each use.

GoGold also constructed a 240 000 m³ rainwater reservoir on site to reduce the need to access outside water sources. The reservoir captures rainwater during the rainy season to use during the dry season.

## Water Intensity across GoGold Operations, Interpreted Two Ways

0.41      0.64

m³ per oz of silver equivalent produced      m³ per tonne of ore processed

Data source: 2020

30,000 m³ of water saved annually at our Parral site



# WASTE AND HAZARDOUS MATERIALS

GoGold adheres to strict waste management policies that guide our operations. They align with the Secretaría del Medio Ambiente y Recursos Naturales (Ministry of Environment and Natural Resources) policies for managing industrial waste. All hazardous waste produced on site is removed only by authorized waste removal service providers. We are proud to report that GoGold had no significant material spills in 2020. This reflects the diligent efforts of all workers at GoGold’s sites to stay safe and maintain the quality of our water and environment.

Non-hazardous waste is removed using plastic buckets, which GoGold then donates to the town and ranchers to use for water storage, household use, or in farming.

### Tailings Management

Before it was taken over by GoGold, our Parral site was host to the La Prieta mine which left behind tailings ponds from its operations. Tailings waste is considered an environmental liability can be a hazard to the ecosystem: it poses risks to both the environment and nearby communities if not properly

stored and remediated. Through our production process, GoGold is working to remediate this tailing waste and restore the ecosystem to its original state. In 2020, more than 1.9 million tonnes of environmental liabilities were remediated from the site.

More than 1.9 million tonnes of environmental liabilities were remediated from the site in 2020

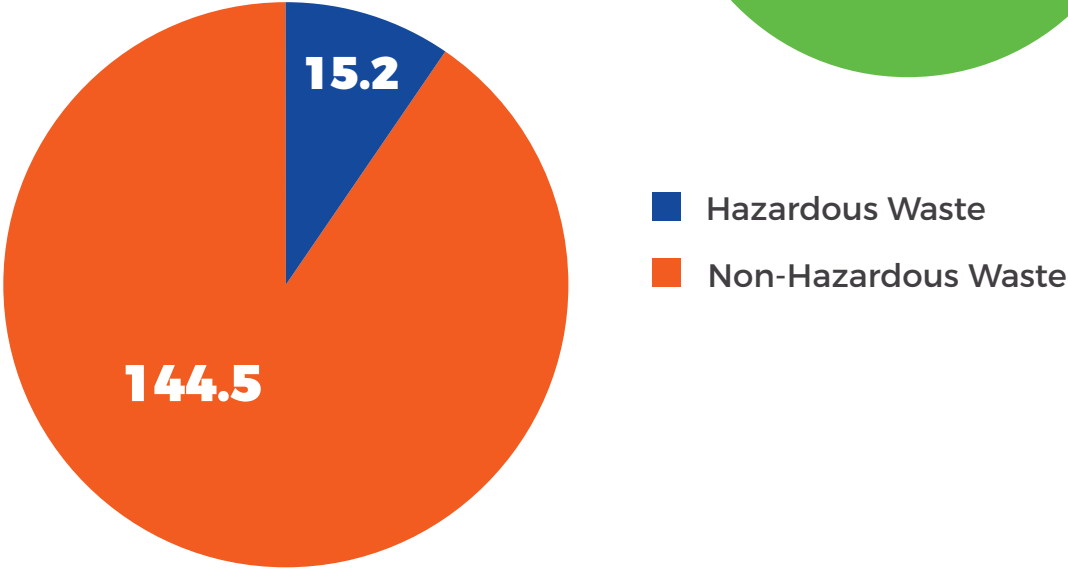
### How it works:

In tailings waste, there can be trace amounts of precious metals left behind from mining operations. However, when collected, this can add up to significant amounts. GoGold collects the silver from these sites by moving the tailings waste from the La Prieta mine to our heap leaching plant. Once there, we use a process called lixiviation, which uses our new cyanide solution system to extract the silver from the tailings waste and dispose of the remainder safely.

Once it is fully reprocessed, the remainder of the tailings waste is safe to be reintegrated into the ecosystem, where we can begin a process of ecological restoration. Prior to being released, reprocessed waste is analyzed in a laboratory to ensure it meets environmental requirements and is safe for reintegration into the ecosystem. GoGold is working to restore the land used for mining back to its original state. By rehabilitating the land, it can be reclaimed and used for future developments to support community economic development.

133 metric tonnes of waste recycled in 2020

Figure 2. Total waste generated across operations (metric tonnes)



Data source: 2020

# HEAP LEACHING UPGRADES

GoGold utilizes heap leaching at our Parral tailings site for extracting minerals. This process typically involves using a chemical solution to separate the gold and silver from other materials and extracting it to be processed. At our Parral plant, we use heap leach to separate the copper, gold and silver from other materials. Previously, this process would use sulfuric acid, which would bind to the metals and separate them from the remaining tailings waste.

The metals and sulfur mix would then go through a filtration and neutralization process.

GoGold has modified our infrastructure to use a SART (sulfidization, acidification, recycling and thickening) process. This process uses a cyanide solution to more efficiently separate the copper, gold and silver from the tailings waste. The cyanide is then recycled to be reused again, greatly reducing the amount of chemicals required for heap leaching.



# OUR ENERGY & CLIMATE IMPACT

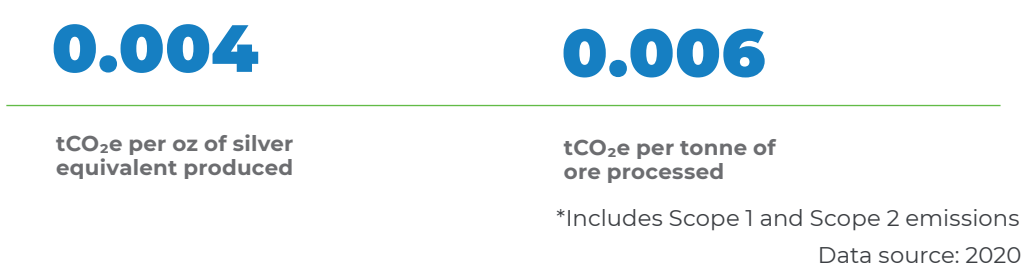
GoGold understands the importance of reducing energy use to minimize our impact on our community, environment and climate. We currently use energy from a variety of sources, including diesel, gasoline, and electricity. The electricity we use is purchased from the local electrical grid.

## Greenhouse Gas Emissions

GoGold monitors greenhouse gas (GHG) emissions at all of our sites. This information is shared annually with Mexico's Ministry of Environment and Natural Resources, where companies are required to register and report on their GHG emissions. Currently, the two main sources of GHG emissions across our operations are from our transportation equipment and drawing from the electricity grid.



## GHG Emission Intensity across GoGold Operations, Interpreted Two Ways\*



We know that across our industry, ounce (oz) of gold produced is also used to calculate GHG emissions intensity. Based on our 2020 equivalency ratio of 88 oz silver per oz gold, GoGold's GHG emission intensity expressed as tCO<sub>2</sub>e per oz of gold produced is 0.32.

// Looking for ways to reduce energy consumption not only benefits our climate; it also reduces our operational costs and avoids unnecessary pollution that might affect the health of our community and ecosystem.

Looking for ways to reduce energy consumption not only benefits our climate; it also reduces our operational costs and avoids unnecessary pollution that might affect the health of our community and ecosystem. We are committed to continuously looking for ways to reduce our GHG emissions and energy consumption.

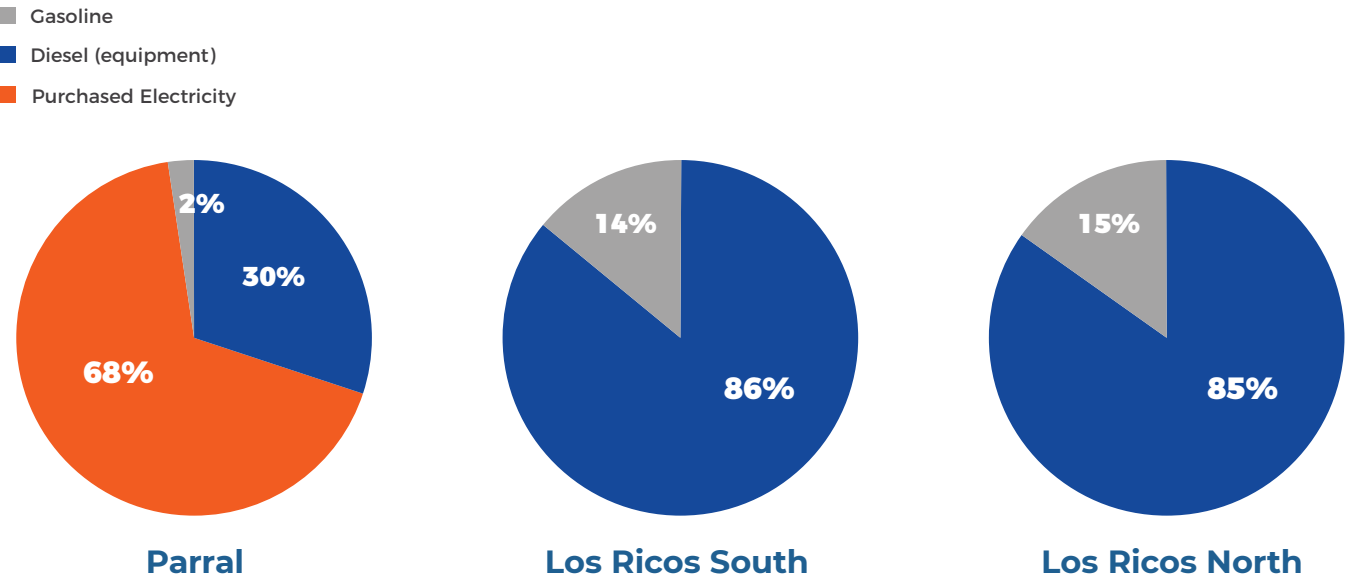
At our Parral Heap Leach Plant where most of our electricity is

used, we implemented energy saving policies requiring unnecessary equipment to be shut down during peak hours. We also have restrictions on vehicle idling at all of our sites to reduce the amount of time vehicles are turned on.

GoGold also has standards for equipment preventative maintenance and repair, and adherence to this policy is required of our contractors as well. This policy allows us to

prolong the life of all of our equipment, reducing waste and the need for replacement parts. It also ensures that equipment is running properly, which improves efficiency, avoids unnecessary time in use, and can reduce excessive exhaust emissions that might result from mechanical issues.

Figure 3. Total Energy Consumption, by Source



Data source: 2020



# OUR PEOPLE & COMMUNITIES

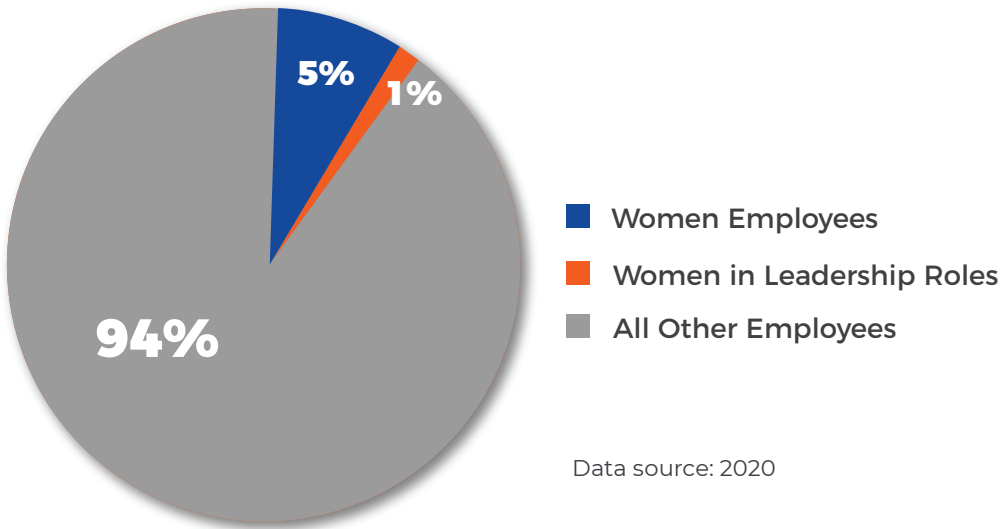
## OUR PEOPLE

### Diversity & Inclusion

GoGold values diversity. We understand that having a variety of backgrounds and perspectives is linked to greater outcomes and better problem solving. We know that this is an area in need of improvement for us, which is why we will work to bring more diversity to our workforce. This includes establishing a formal diversity and inclusion policy that embodies our values and priorities.

Under Mexico's Ministry of Labour and Social Welfare, GoGold is required to prevent discrimination and injustices, and to give equal opportunities to all. We take these requirements seriously and plan put diversity at the top of our sustainability agenda, including achieving greater gender balance in our workforce.

Figure 4. Gender Diversity at GoGold





## Training & Professional Development

GoGold believes that implementing training strategies and accident prevention protocols is a key element in preventing incidents, protecting the health and wellbeing of our workers on site.

### Our training, wellness and prevention programs include:

- Eliminating any unnecessary activities and automating processes to remove workers from situations with risk
- Weekly check-ins to identify health or safety risks and taking appropriate preventative actions
- Providing health programming to staff, including medical exams, access to medication, and free eye glasses
- Personal hygiene training for all staff and contractors

12,101

Total training hours

18

Average training hours per worker

7

Number of workers trained as EMTs

Data source: 2020

## 2020 Training Snapshot\*

- Handling Hazardous Materials
- First Aid
- Confined Spaces
- Cyanide Training
- Drug Risks
- Working in Extreme Temperatures
- Noxious Gasses
- Noise Level Risks
- Polluting Agents
- Cadmio and Lead Handling
- Team Work
- Personal Hygiene
- Rattlesnake Bites
- COVID -19 Risks and Safety Measures
- Psychosocial Risks
- Fire Extinguisher Use
- Machinery and Equipment Safety
- Security Procedures
- Laboratory PPE

\*This list is not extensive and provides a highlight of just some of the training and safety procedures required of GoGold workers and contractors on our sites.



# GOGOLD IN THE COMMUNITY

Social acceptance of our operations is crucial for our success. Our stakeholders and our industry set high expectations for creating relationships with surrounding communities and Indigenous Peoples that are based on collaboration, trust and respect. Meeting these expectations and achieving our goals for sustainable development means going above and beyond the minimum requirements for

doing business, and working together to strengthen surrounding communities. This not only helps the community through additional programming and benefits, it also creates a stronger workforce to support our operations, and it improves regional infrastructure and government capacities which can further enable us to work more effectively.

GoGold is committed to creating opportunities for shared value in our operations. For us, this includes creating dialog with nearby municipalities, providing employment opportunities for the local workforce, and improving health and education outcomes for families.



# LOCAL ECONOMIC DEVELOPMENT

When procuring products and services or hiring workers, GoGold will always look to our surrounding communities first before searching elsewhere. In addition to supporting local economic development, this also reduces our carbon footprint by minimizing transportation requirements from procurements or hiring outside of the local community. In 2020, GoGold spent \$12.9 million USD in the local economy on employee salaries and local procurement.

Almost 70% of GoGold's employees on site are hired from communities surrounding our operations. However, we know that for some skilled positions, we need specialized individuals who can do more technical work safely, and they are not always located in these surrounding communities. When we can't hire locally for these positions, we will always prioritize hiring individuals as close to our operations as possible. As a result, we have been able to hire in-country employees for over 99% of the jobs we have on site.

**69%**  
**JOBS FOR**  
**LOCAL**  
**EMPLOYEES**

## Total Purchases from Local or Regional Suppliers (USD)

|                    |                  |                  |
|--------------------|------------------|------------------|
| <b>\$9,780,697</b> | <b>\$449,825</b> | <b>\$392,144</b> |
| Parral             | Los Ricos South  | Los Ricos North  |

Data source: 2020

## GoGold Employees on Site

|   |   |                      |                    |
|---|---|----------------------|--------------------|
| <b>69%</b>  | <b>10%</b>                                  | <b>20%</b>           | <b>&lt;1%</b>      |
| From communities directly surroundingour operations | From the states where our sites are located | In-country employees | Canadian employees |

Data source: 2020



Community Investments

In addition to paying government taxes and royalties, as well as land rents, GoGold has established community benefit agreements with the communities where we work. This funding is paid to our government stakeholders who can use it to support community development in the way that is most appropriate for their region. We work closely with local leaders, maintaining honest communication and following all requirements and regulations to ensure our operations are aligned with local sustainable development objectives.



\$819,000

Taxes and royalties paid to local governments (USD)

\$940,000

Direct investments from community benefit agreements (USD)



WORKING ON EJIDO TERRITORIES

At our Los Ricos site, GoGold has a signed Surface Rights Agreement with the Ejido of Cinco Minas, who are the stewards and traditional inhabitants of the land. The agreement allows GoGold to mine and explore 1,280 hectares of the land for a period of twelve years with an option to renew for a further twelve years.

What is an Ejido

In Mexico, Ejidos are farming communities made up of families from traditionally poor backgrounds. The land making up an Ejido is communal land for which the Government of Mexico has given families rights to utilize and farm. Though Ejidos are no longer granted in Mexico, the existing ones are allowed to remain and can be passed down through generations.

We respect the rights of Ejido communities as stewards of this land, and we will continue working to ensure they see the positive outcomes associated with our operations. We pay annual fees to the Ejido for use of the land, and have provided additional payments to cover costs of rehabilitation for any land that might be affected during our exploration activities.

GoGold donated a truck used by the community to transport children to and from home and school, and we cover all the associated expenses for transportation. We also provide monthly contributions for local infrastructure projects including road maintenance, cattle ranch

maintenance and street cleaning, and we cover staffing and resource expenses for the local medical clinic. Our largest program established with the Ejido community is our seniors employment program.

Through this agreement, GoGold was able to establish a collaborative relationship with the Ejido community. As a result of these shared benefits and positive relationship-building, we are proud to report that we have had no community grievances filed in 2020. If, in the event, a community member does have a grievance, GoGold has a formal complaint process to receive, process, and investigate claims. We also have staff on site who are responsible for monitoring and identifying any disagreements.

Supporting Economic Independence for Ejido Seniors

As part of our community benefit agreement, GoGold worked with the Ejido community to identify opportunities for shared value, and where GoGold might be able to contribute to tangible outcomes for the local people. As a result, we created the “Manos con Experiencia” program. We are working to improve inclusion and participation for seniors in the community by securing employment, including work in cleaning, maintenance and painting. For those unable to work, GoGold also established a food bank, where individuals can come each month and access nutritious food options.





Philanthropic Activities

GoGold is investing in programming that will support the social and economic outcomes of the communities located where we operate. By strengthening the local community, we can better sustain our operations and maintain the wellness of our workers and their families.

To achieve these outcomes, GoGold contributes to a number of community activities, including:

- Extraordinary contributions in infrastructure to the Municipality of Parral, including installing street lights and paving gravel roads
- Support programs for seniors, low-income children, and people with disabilities
- Financial and in-kind support for various local associations and institutions that work with children and seniors
- Financial and in-kind contributions to local schools and health centres such as the local Red Cross
- Home improvements for low-income individuals or people with disabilities
- Worker health benefits plans, including extended coverage for optometry and fitness

GoGold University Scholarships

In addition to our other philanthropic activities, GoGold has also established a scholarship program for low-income university students. Students receive \$2,000 MXN a month to help cover tuition fees, textbooks, supplies, and living expenses. So far we have supported five local students to attend university.





# FORWARD-LOOKING STATEMENTS

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as “forward-looking statements”. Such statements include, without limitation, statements regarding GoGold’s future plans in the areas of sustainable development, health, safety, environment and community development. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such statements reflect GoGold’s views as at the date of this report and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. There can be no assurance that forward-looking statements will

prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For a detailed discussion of such risks and other factors that may affect GoGold’s ability to achieve the expectations set forth in the forward-looking statements contained in this report, please see GoGold’s Annual Information Form for the year ended September 30, 2020 a copy of which may be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com), as well as other continuous disclosure materials filed from time to time with Canadian securities regulatory authorities. Other than as required by law, GoGold does not intend, and does not assume any obligation, to update these forward-looking statements.

# APPENDIX

## Sustainability Data, by Site

### Water Management

|   | Parral  | Los Ricos South | Los Ricos North |
|---|---------|-----------------|-----------------|
| <b>Total water withdrawn, by source (m³)</b>              |         |                 |                 |
| Groundwater   | 620,391 | 0               | 0               |
| Mine Floodwater   | 0       | 96,096          | 48,048          |
| Precipitation   | 199,999 | 0               | 0               |
| Total   | 820,390 | 96,096          | 48,048          |
| <b>Total water discharged into freshwater rivers (m³)</b> |         |                 |                 |
|   | 0       | 78,624          | 39,312          |
| <b>Across Operations</b>                                  |         |                 |                 |
| <b>Water intensity</b>                                    |         |                 |                 |
| m³ per oz of silver equivalent produced                   |         | 0.41            |                 |
| m³ per tonne of ore processed                             |         | 0.64            |                 |

Data source: 2020

### Waste Management

|  | Parral | Los Ricos South | Los Ricos North |
|--|--------|-----------------|-----------------|
| <b>Waste generated, by metric tonnes</b> |        |                 |                 |
| Hazardous waste                          | 12.8   | 2.4             | 0               |
| Non-hazardous waste                      | 136    | 0               | 8.5             |
| Total                                    | 148.8  | 2.4             | 8.5             |
| <b>Waste recycled, by metric tonnes</b>  |        |                 |                 |
|  | 133    | 0               | 0               |

Data source: 2020



GHG Emissions & Energy Use

|   |        | Across Operations |                 |
|---|--------|-------------------|-----------------|
| Total GHG emissions (tCO <sub>2</sub> e)                |        | 8,524             |                 |
| GHG emission intensity                                  |        |                   |                 |
| tCO <sub>2</sub> e per oz of silver equivalent produced |        | 0.004             |                 |
| tCO <sub>2</sub> e per tonne of ore processed           |        | 0.006             |                 |
|   |        |                   |                 |
|   | Parral | Los Ricos South   | Los Ricos North |
| Total energy consumption by source (%)                  |        |                   |                 |
| Diesel (equipment)                                      | 30     | 86                | 85              |
| Purchased electricity                                   | 68     | 0                 | 0               |
| Gasoline  | 2      | 14                | 15              |

Data source: 2020

Diversity

|   | Parral           | Los Ricos South | Los Ricos North |
|---|------------------|-----------------|-----------------|
| Number of women employees                     | 15 (5% of total) | 0               | 0               |
| Number of women employees in leadership roles | 3 (1% of total)  | 0               | 0               |

Data source: 2020

Local Employment

|   | Parral | Los Ricos South | Los Ricos North |
|---|--------|-----------------|-----------------|
| Number of Employees   | 302    | 14              | 116             |
| % local employees<br>(from communities surrounding our operation) | 82     | 50              | 39              |
| % regional employees<br>(within the state)                        | 12     | 0               | 4               |
| % national employees<br>(within the country)                      | 5      | 50              | 57              |
| % Canadian-based employees  | 0.3    | 0               | 0               |

Data source: 2020

Community Investment

|   | Parral      | Los Ricos South | Los Ricos North |
|---|-------------|-----------------|-----------------|
| Amount purchased from local or regional suppliers | \$9,780,697 | \$392,144       | \$449,825       |
| Amount paid in donations and sponsorships         | \$49,016    | \$120,043       | \$0             |
| Amount paid in tax and royalties                  | \$729,893   | \$61,028        | \$27,668        |

Currency: USD

Data source: 2020

Safety Training

|   | Parral | Los Ricos South | Los Ricos North |
|---|--------|-----------------|-----------------|
| Training Hours                              | 10,176 | 0               | 1,925           |
| Trained Emergency Medical Technicians (EMT) | 7      | 0               | 0               |

Data source: 2020