



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the quarter ended March 31, 2020**

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*This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations is prepared as at May 6, 2020 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2020 and the notes thereto for GoGold Resources Inc. (the "Corporation"), as well as in conjunction with the Corporation's annual MD&A and audited consolidated financial statements for the year ended September 30, 2019.*

*The Corporation's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2020 have been prepared in accordance with IAS 34. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in thousands of United States dollars ("USD"), with the exception of per ounce costs which are quoted in United States dollars. Additional information relevant to the Corporation's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).*

*This MD&A contains certain Forward-Looking Statements as disclosed on page 22 of this document, and Non-IFRS measures including cash cost per silver ounce, cash cost per silver equivalent ounce, and all in sustaining cost ("AISC") which are reconciled to IFRS on page 20 of this document.*

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## **OVERVIEW**

GoGold Resources Inc. is a Canadian Corporation principally engaged in the exploration, development, and production of gold and silver primarily in Mexico. The Corporation's common shares are listed on the Toronto Stock Exchange trading under the symbol GGD, and the OTCQX market in the United States under the symbol GLGDF.

The Corporation operates the Parral Tailings Project ("Parral") located in the state of Chihuahua, Mexico, and the Los Ricos exploration property ("Los Ricos") located in the state of Jalisco, Mexico.

## **STRATEGIC UPDATE**

On February 4, 2020, the Corporation announced a bought deal whereby a syndicate of underwriters purchased 35,714,285 units at a price of \$0.70 CAD per unit, with each unit consisting of one common share of the Corporation and one half-warrant. The warrants entitle the holder to acquire a common share of the Corporation at a price of CAD\$0.85 and expire on February 25, 2022. The bought deal closed on February 25, 2020, and the proceeds of the bought deal were \$17,413, net of transaction costs of \$1,401. The purpose of the financing is to fund additional exploration on the Los Ricos project, particularly at the Los Ricos North project, and for corporate development and general corporate purposes.

On February 20, 2020, the Corporation announced that it launched a second exploration project at Los Ricos – the Los Ricos North project, which consists of the Monte del Favor, Salomon, La Trini, and Mololoa targets. The Los Ricos North project contains a number of historical underground workings, as well as small surface pits and trenches. Drilling on the concessions was completed most recently between 2005 to 2007, with 50 holes completed covering over 6,000 metres, of which the majority intercepted mineralization near surface. Highlights of the historical drilling include grades as high as 2,109 g/t silver equivalent (6.4 g/t Au and 1,629 g/t Ag) over 24.4m with further details provided in the Los Ricos section on page 5.

The Parral project set another production record, surpassing 600,000 silver equivalent ounces in the quarter ending March 31, 2020 ("Q2 2020"), which marks the sixth consecutive quarter of production increases. Details are given in the Operational Update below. At Parral, the Corporation's SART plant completed commissioning, and began providing economic and technical benefits to the Parral facility in March. The main economic drivers of the SART plant are the recovery of a high-grade saleable copper sulfide product, the re-generation of cyanide, which is the largest single operating cost at Parral, and improve the leaching

efficiency of the heap. In March, the SART plant reduced the need for purchased cyanide by more than 20%, or approximately \$200,000.

On April 2, 2020, the Corporation announced that the Mexican federal government mandated all non-essential businesses temporarily suspend activities due to COVID-19. As Parral is a heap leach operation, essential processes including operation of pumps to maintain solution balance have continued, while non-essential services are temporarily suspended in line with the government mandate. At the Los Ricos project, drilling is temporarily suspended to ensure the safety of the Corporation's employees and contractors in compliance with the government's mandate. This will have a limited impact on the Corporation's exploration project, as there are completed drill holes which are in the assaying process, and the Corporation is nearing data cut-off for the initial resource at the Los Ricos South Project. The Corporation's administrative and technical teams will continue to work remotely from home, as they progress on internal resource modelling and work towards an external third-party resource.

## OPERATIONAL UPDATE

### Parral

Production in Q2 2020 was a record 600,697 silver equivalent ounces, compared to 424,210 in the quarter ending March 31, 2019 ("Q2 2019"), an increase of 42%. Production has increased for six consecutive quarters, with new production records set in the last five quarters. Production in the quarter included 28 tonnes of copper precipitate from the newly commissioned SART plant, which equates to 9,509 silver equivalent ounces. In addition to the production of copper precipitate, the SART plant regenerated approximately 90 tonnes of cyanide used in the heap leaching production.

Tailings stacked in Q2 2020 were 366,808 tonnes, down 24% from Q2 2019, but an increase of 11% from the quarter ending December 31, 2019 ("Q1 2020") of 331,279. For the year to date, stacking in 2020 is down 136,400, or 16%. Stacked tonnage is lower as a result of material being sourced from an area which has clay in it, which takes additional time to screen and stack than other sandier areas.

Following are key performance indicators of Parral's operations:

Key performance indicator:	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	YTD 2019	YTD 2020
Fresh tailings placed on leach pad	477,561	519,643	300,263	331,279	366,808	538,159	698,087
Tailings rehandled	1,313	-	-	-	-	296,328	-
Total tonnes placed and rehandled	478,874	519,643	300,263	331,279	366,808	834,487	698,087
Recoverable silver equivalent ounces stacked <sup>1,2</sup>	640,000	680,000	465,000	483,000	547,000	694,000	1,030,000
Silver equivalent production (oz) <sup>1</sup>	424,210	451,011	580,711	584,988	600,697	749,358	1,185,685
Silver production (oz)	288,693	250,073	326,625	379,082	365,795	456,667	744,877
Gold production (oz)	1,613	2,281	2,921	2,407	2,355	3,616	4,761
Copper production (tonnes)	-	-	-	-	28	-	28
Cash cost (per silver equivalent oz) <sup>3</sup>	\$10.75	\$10.72	\$11.62	\$12.54	\$12.33	\$12.58	\$12.43
Adjusted cash cost (per silver equivalent oz) <sup>3,4</sup>	\$10.11	\$10.72	\$11.62	\$12.54	\$12.33	\$10.91	\$12.43
Cash cost (per silver oz) <sup>3</sup>	\$8.37	\$7.87	\$7.27	\$10.02	\$9.91	\$11.01	\$9.97
Adjusted cash cost (per silver oz) <sup>3,4</sup>	\$7.39	\$7.87	\$7.27	\$10.02	\$9.91	\$8.19	\$9.97
AISC per silver equivalent ounce	\$14.08	\$13.61	\$13.78	\$14.59	\$15.10	\$16.43	\$14.85
Adjusted AISC per silver equivalent ounce <sup>4</sup>	\$13.44	\$13.61	\$13.78	\$14.59	\$15.10	\$14.76	\$14.85

1. "Silver equivalent production" include gold ounces produced and sold, and copper tonnes produced and sold converted to a silver equivalent based on a ratio of the average market metal price for each period. The ratio gold:silver for each of the periods presented was: Q2 2019 – 84, Q3 2019 – 88, Q4 2019 – 87, Q1 2020 – 88, Q2 2020 – 95. The ratio for copper in Q2 2020 was 340.
2. Excluding ounces included in rehandled tailings.
3. Non-IFRS measure, reconciliation on page 21.
4. For comparability purposes, adjusted costs are calculated excluding net realizable value of inventory adjustments to cash production costs, as they are out of period costs. See page 21.

Cash costs per silver equivalent ounce were \$12.33 in Q2 2020, an increase from \$10.75 in Q2 2019. The increase is attributed to lower recoverable silver equivalent ounces stacked on the pad, as well as a higher average cost in the opening heap leach inventory. Cash costs in Q2 2020 decreased slightly from \$12.54 in Q1 2020, mainly due to savings on cyanide associated with the SART plant. Management forecasts additional cost savings for the remainder of the year due to the SART plant, as the lower monthly operating costs will be reflected through a decrease in the average cost of ounces held in inventory. Due to there being approximately 1.7 million recoverable silver equivalent ounces recorded as heap leach inventory, reductions to input costs such as cyanide will not be immediately reflected in cash costs, as they work their way through the inventory and decrease the average cost.

All in sustaining costs ("AISC") were \$15.10 in Q2 2020, compared to \$14.08 in Q2 2019, with the variance mainly attributed to the increase in cash costs, off set by an inventory NRV adjustment of \$0.64 per ounce in Q2 2019. AISC to date in 2020 are \$14.85, compared to \$16.43 in 2019. After an inventory adjustment of \$1.67 in 2019, AISC are comparable.

## **LOS RICOS**

The Los Ricos property is made up of 30 concessions and covers over 22,000 hectares and is home to several historical mining operations. The property is located roughly 100 km northwest of the city of Guadalajara and is easily accessible by paved road. There are 65 historical drill holes on the property from 2003 and 2004, and the majority of them intercepted mineralization from near surface. There are numerous historical underground workings on the property, which date as far back as early Spanish colonial times, but are primarily from operations in the early twentieth century when Marcus Daly Jr., the son of the founder of the Anaconda Copper Corporation, developed it into a modern mine producing up to 500 tonnes of ore per day by the time it closed in 1930.

### **Drilling Program**

The Corporation is carrying out a diamond drilling program of HQ size core in conjunction with a field program of geological mapping, sampling and trenching on the property. The Los Ricos district includes two projects – the North Project and the South Project. The South Project began in March 2019 and includes the 'Main' area, which is focused on drilling around a number of historical mines including El Abra, El Troce, San Juan, and Rascadero. The South Project also includes the Cerro Colorado and Las Lamas targets. The North Project was launched in March 2020 and includes the Monte del Favor, Salomon, La Trini, and Mololoa targets.

Drilling at the Los Ricos projects is temporarily suspended due to COVID-19 to ensure the safety of the Corporation's employees, contractors, and surrounding communities, in compliance with the Mexican Federal government's mandate that all non-essential business temporarily suspend activities. The Corporation continues to work towards an external 43-101 compliant resource at the Los Ricos South project during the suspension of drilling activities.

As of the date of this document, the Corporation has received the results of the following diamond drill core holes. The drilling program has provided strong results with numerous high grade intercepts as set out below in the table showing all of the Corporation's drilling results to date.

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
LRGG-19-001	<b>Main</b>	<b>71</b>	<b>106.5</b>	<b>35.5</b>	<b>1.24</b>	<b>284.7</b>	<b>5.04</b>	<b>378</b>
	HW zone	71	81	10	1.27	249.1	4.59	344.3
	Open Stope <sup>4</sup>	81	82.5	1.5	*	*	*	*
	FW zone	82.5	106.5	24	1.31	317.3	5.54	415.5
	including	91.5	98	6.5	3.32	905.8	15.39	1154.3
LRGG-19-002	<b>Main</b>	<b>26.5</b>	<b>54.1</b>	<b>27.6</b>	<b>1.56</b>	<b>159</b>	<b>3.68</b>	<b>276.0</b>
	including	28.4	34	5.6	5.52	525	12.52	939.0
LRGG-19-003	<b>Main</b>	<b>145</b>	<b>165.4</b>	<b>20.4</b>	<b>2.21</b>	<b>318.7</b>	<b>6.45</b>	<b>483.8</b>
	including	145	155.5	10.5	4.26	608	12.36	927.0
	including	146	153.2	7.2	6.17	869.5	17.77	1332.8
LRGG-19-004	<b>Main</b>	<b>96.5</b>	<b>99</b>	<b>2.5</b>	<b>0.04</b>	<b>27.2</b>	<b>0.4</b>	<b>30.0</b>
LRGG-19-005	<b>Main</b>	<b>121</b>	<b>131.8</b>	<b>10.8</b>	<b>0.19</b>	<b>53.8</b>	<b>0.91</b>	<b>68.3</b>
LRGG-19-006	<b>Main</b>	<b>107.1</b>	<b>132</b>	<b>25</b>	<b>0.33</b>	<b>35.7</b>	<b>0.81</b>	<b>60.8</b>
	including	119.7	122.5	2.8	1.41	52.6	2.11	158.3
LRGG-19-007	<b>Main</b>	<b>149.5</b>	<b>161.2</b>	<b>11.7</b>	<b>0.68</b>	<b>88.8</b>	<b>1.87</b>	<b>140.3</b>
	including	163	169.1	6.1	0.58	141.9	2.47	185.3
LRGG-19-008	<b>Main</b>	<b>109.4</b>	<b>131.7</b>	<b>22.4</b>	<b>4.13</b>	<b>182.1</b>	<b>6.55</b>	<b>491.3</b>
	including	127.5	130.5	3	25.08	533.9	32.2	2415.0
	and	134.7	147.6	12.9	0.17	31.5	0.59	44.3
LRGG-19-009	<b>Main</b>	<b>34.5</b>	<b>55.7</b>	<b>21.2</b>	<b>7.66</b>	<b>1270.2</b>	<b>24.6</b>	<b>1845.0</b>
	including	37.8	44.7	6.9	21.97	3717.6	71.54	5365.5
LRGG-19-010	Open Stope <sup>4</sup>	97.5	99	1.5	*	*	*	*
	<b>Main</b>	<b>99</b>	<b>117.8</b>	<b>18.8</b>	<b>0.37</b>	<b>67.9</b>	<b>1.27</b>	<b>95.3</b>
	including	102.2	106.7	4.5	0.96	119.5	2.55	191.3
LRGG-19-011	<b>Main</b>	<b>253</b>	<b>271.5</b>	<b>18.5</b>	<b>1.2</b>	<b>140.3</b>	<b>3.07</b>	<b>230.3</b>
	including	261.8	270.3	8.4	2.16	227.8	5.19	389.3
LRGG-19-012	<b>Main</b>	<b>220.3</b>	<b>238</b>	<b>17.8</b>	<b>0.59</b>	<b>82.7</b>	<b>1.69</b>	<b>126.8</b>
	including	224.5	238	13.5	0.77	100.4	2.11	158.3
	including	228.5	235.5	7	1.16	131.9	2.92	219.0
LRGG-19-013	<b>Main</b>	<b>163.9</b>	<b>179.5</b>	<b>15.6</b>	<b>0.78</b>	<b>194.7</b>	<b>3.38</b>	<b>253.5</b>
	including	166	174.8	8.8	1.3	296.5	5.25	393.8
	including	166	168.2	2.2	2.09	331.7	6.52	489.0
LRGG-19-014	<b>Main</b>	<b>204.3</b>	<b>218.5</b>	<b>14.2</b>	<b>1.1</b>	<b>126.8</b>	<b>2.79</b>	<b>209.3</b>
	including	208.3	216	7.7	1.94	209.3	4.73	354.8
	and	224.5	228	3.5	0.16	26.5	0.51	38.3
LRGG-19-015	<b>Main</b>	<b>23.4</b>	<b>40.5</b>	<b>17.1</b>	<b>0.71</b>	<b>67.9</b>	<b>1.62</b>	<b>121.5</b>
	including	27	32.6	5.6	1.68	137.2	3.51	263.3
	Open Stope <sup>4</sup>	40.5	43.7	3.2	*	*	*	*

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
	<b>Main</b>	<b>43.7</b>	<b>54</b>	<b>10.3</b>	<b>1.19</b>	<b>85</b>	<b>2.33</b>	<b>174.8</b>
	including	43.7	49	5.3	2.02	138.1	3.87	290.3
LRGG-19-016	<b>Main</b>	<b>80.8</b>	<b>85.8</b>	<b>5</b>	<b>0.52</b>	<b>160.6</b>	<b>2.66</b>	<b>199.5</b>
	Open Stope <sup>4</sup>	85.8	88.3	2.5	*	*	*	*
	including	91.7	98.1	6.3	2.14	336.7	6.63	497.3
LRGG-19-017	<b>Main</b>	<b>83.2</b>	<b>115.2</b>	<b>32</b>	<b>0.8</b>	<b>178.8</b>	<b>3.18</b>	<b>238.5</b>
	including	83.2	94.5	11.3	1.46	347.8	6.1	457.5
LRGG-19-018	<b>Main</b>	<b>258.5</b>	<b>279.9</b>	<b>21.4</b>	<b>0.81</b>	<b>170.1</b>	<b>3.08</b>	<b>231.0</b>
	including	263.2	276	12.9	1.24	262.4	4.74	355.5
	including	268.5	276	7.5	1.78	342.4	6.35	476.3
LRGG-19-019	<b>Main</b>	<b>23</b>	<b>27.5</b>	<b>4.5</b>	<b>1.5</b>	<b>196.6</b>	<b>4.13</b>	<b>309.8</b>
	Open Stope <sup>4</sup>	27.5	29.7	2.2	*	*	*	*
	<b>Main</b>	<b>29.7</b>	<b>43.5</b>	<b>13.8</b>	<b>0.63</b>	<b>86</b>	<b>1.78</b>	<b>133.5</b>
	including	29.7	33.9	4.2	1.52	198.3	4.17	312.8
LRGG-19-020	<b>Main</b>	<b>43.8</b>	<b>58.7</b>	<b>14.9</b>	<b>1.78</b>	<b>106.4</b>	<b>3.2</b>	<b>240.0</b>
	including	45	52	7	3.48	155.6	5.55	416.3
LRGG-19-021	<b>Main</b>	<b>9</b>	<b>16.5</b>	<b>7.5</b>	<b>0.09</b>	<b>18.1</b>	<b>0.33</b>	<b>24.8</b>
	Open Stope <sup>4</sup>	16.5	22.5	6	*	*	*	*
	<b>Main</b>	<b>22.5</b>	<b>38.1</b>	<b>15.6</b>	<b>1.15</b>	<b>113.5</b>	<b>2.67</b>	<b>200.3</b>
	including	22.5	29	6.5	2.38	236.5	5.54	415.5
LRGG-19-022	<b>Main</b>	<b>170.4</b>	<b>193.7</b>	<b>23.3</b>	<b>1.78</b>	<b>201.5</b>	<b>4.47</b>	<b>335.3</b>
	including	171.5	181.5	10	3.58	389.6	8.78	658.5
LRGG-19-023	<b>Main</b>	<b>34</b>	<b>58</b>	<b>24</b>	<b>0.61</b>	<b>126</b>	<b>2.29</b>	<b>171.8</b>
	including	34	48.7	14.7	0.93	200.8	3.61	270.8
LRGG-19-024	<b>Main</b>	<b>25</b>	<b>30</b>	<b>5</b>	<b>0.36</b>	<b>30.8</b>	<b>0.77</b>	<b>57.8</b>
LRGG-19-025	<b>Main</b>	<b>34.9</b>	<b>59.5</b>	<b>24.6</b>	<b>1.3</b>	<b>135</b>	<b>3.1</b>	<b>232.5</b>
	including	34.9	50.4	15.5	2	203.3	4.71	353.3
LRGG-19-026	<b>Main</b>	<b>4</b>	<b>9.7</b>	<b>5.7</b>	<b>1.29</b>	<b>201.1</b>	<b>3.98</b>	<b>298.5</b>
	Open Stope <sup>4</sup>	9.7	11.3	1.6	*	*	*	*
	<b>Main</b>	<b>11.3</b>	<b>29.5</b>	<b>18.2</b>	<b>0.16</b>	<b>34.5</b>	<b>0.62</b>	<b>46.5</b>
LRGG-19-027	<b>Main</b>	<b>38.3</b>	<b>51</b>	<b>12.7</b>	<b>1.08</b>	<b>169.8</b>	<b>3.34</b>	<b>250.5</b>
	including	38.3	45	6.7	1.83	268.1	5.4	405.0
	and	60	65	5.1	0.28	23.4	0.59	44.3
LRGG-19-028	<b>Main</b>	<b>34.5</b>	<b>62</b>	<b>27.5</b>	<b>1.21</b>	<b>133.5</b>	<b>2.99</b>	<b>224.3</b>
	including	35.1	46	11	2.93	293.9	6.85	513.8
LRGG-19-029	<b>Main</b>	<b>28.5</b>	<b>31.5</b>	<b>3</b>	<b>0.99</b>	<b>157.1</b>	<b>3.09</b>	<b>231.8</b>
	Open Stope <sup>4</sup>	31.5	34.1	2.6	*	*	*	*
	<b>Main</b>	<b>34.1</b>	<b>34.7</b>	<b>0.6</b>	<b>1.64</b>	<b>300.3</b>	<b>5.64</b>	<b>423.0</b>
	Open Stope <sup>4</sup>	34.7	39	4.3	*	*	*	*
	<b>Main</b>	<b>39</b>	<b>41</b>	<b>2</b>	<b>0.12</b>	<b>19.4</b>	<b>0.38</b>	<b>28.5</b>
LRGG-19-030	<b>San Juan</b>	<b>128.7</b>	<b>145.5</b>	<b>16.9</b>	<b>0.54</b>	<b>67.8</b>	<b>1.45</b>	<b>108.8</b>

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
	including	138	143	5	1.46	147.9	3.43	257.3
LRGG-19-031	<b>Main</b>	<b>25.5</b>	<b>31.7</b>	<b>6.2</b>	<b>1.17</b>	<b>157.8</b>	<b>3.27</b>	<b>245.3</b>
	<b>Main<sup>5</sup></b>	<b>38.5</b>	<b>56</b>	<b>15.5</b>	<b>0.53</b>	<b>84.2</b>	<b>1.66</b>	<b>124.5</b>
LRGG-19-032	including	38.5	47.2	8.7	0.75	94.3	2.01	150.8
	including	42.3	45	2.7	2.04	216.6	4.93	369.8
	<b>Main<sup>6</sup></b>	<b>31</b>	<b>53.5</b>	<b>17.1</b>	<b>1.59</b>	<b>364.2</b>	<b>6.45</b>	<b>483.8</b>
LRGG-19-033	including	31	36.6	5.6	3.81	818.1	14.72	1104.0
	including	43	53.5	10.5	0.52	142.5	2.42	181.5
LRGG-19-034	<b>Main<sup>7</sup></b>	<b>103.5</b>	<b>126</b>	<b>20.1</b>	<b>0.92</b>	<b>177.2</b>	<b>3.28</b>	<b>246.0</b>
	Including	105	109.9	4.9	3.41	620.7	11.68	876.0
LRGG-19-035	<b>Main</b>	<b>119.9</b>	<b>144.3</b>	<b>24.4</b>	<b>1.29</b>	<b>127.4</b>	<b>2.99</b>	<b>224.3</b>
	including	124.7	134.5	9.8	3	258	6.44	483.0
LRGG-19-036	<b>Main</b>	<b>78</b>	<b>98</b>	<b>20</b>	<b>0.28</b>	<b>102.9</b>	<b>1.65</b>	<b>123.8</b>
LRGG-19-037	<b>Main</b>	<b>73</b>	<b>91.6</b>	<b>18.6</b>	<b>0.33</b>	<b>53.7</b>	<b>1.05</b>	<b>78.8</b>
	including	76	80.8	4.8	0.77	117.8	2.34	175.5
LRGG-19-038	<b>Main<sup>8</sup></b>	<b>99.0</b>	<b>124.5</b>	<b>21.2*</b>	<b>0.72</b>	<b>164.7</b>	<b>2.92</b>	<b>219.0</b>
	Including	100.5	110.7	10.2	1.33	302.2	5.36	402.0
LRGG-19-040	<b>Main<sup>9</sup></b>	<b>42.0</b>	<b>63.6</b>	<b>17.5*</b>	<b>0.40</b>	<b>115.0</b>	<b>1.93</b>	<b>144.8</b>
	including	42.0	46.5	4.5	0.89	281.5	4.64	348.0
LRGG-19-041	<b>Main<sup>10</sup></b>	<b>97.5</b>	<b>126.0</b>	<b>23.3</b>	<b>1.14</b>	<b>115.5</b>	<b>2.68</b>	<b>201.0</b>
	including	99.8	105.2	5.5	4.60	398.0	9.91	743.3
LRGG-19-042	<b>Main<sup>11</sup></b>	<b>28.0</b>	<b>58.5</b>	<b>29.2*</b>	<b>0.47</b>	<b>69.5</b>	<b>1.40</b>	<b>105.0</b>
	including	31.0	37.7	6.7	1.65	223.9	4.63	347.3
LRGG-19-044	<b>San Juan</b>	<b>31.8</b>	<b>50.5</b>	<b>18.8</b>	<b>0.29</b>	<b>33.4</b>	<b>0.73</b>	<b>54.8</b>
	including	35.5	39.0	4.5	0.50	27.4	0.86	64.5
LRGG-19-045	<b>San Juan</b>	<b>61.0</b>	<b>81.0</b>	<b>20.0</b>	<b>0.59</b>	<b>33.7</b>	<b>1.04</b>	<b>78.0</b>
	including	67.5	71.0	3.5	2.92	90.9	4.13	309.8
LRGG-19-046	<b>San Juan</b>	<b>99.5</b>	<b>135.5</b>	<b>36.0</b>	<b>0.36</b>	<b>62.2</b>	<b>1.19</b>	<b>89.3</b>
	including	129.0	134.5	5.5	1.30	220.5	4.24	318.0
LRGG 19-047	<b>San Juan</b>	<b>83.5</b>	<b>97.5</b>	<b>14</b>	<b>0.16</b>	<b>23.5</b>	<b>0.47</b>	<b>35.3</b>
	<b>San Juan</b>	<b>89.1</b>	<b>110.1</b>	<b>21</b>	<b>1.38</b>	<b>145.9</b>	<b>3.33</b>	<b>249.8</b>
LRGG 19-047	including	89.1	99	9.9	2.76	258.6	6.21	465.8
	including	91	96	5	4.36	436.2	10.17	762.8
LRGG 19-048	<b>Main</b>	<b>7.9</b>	<b>20.1</b>	<b>12.2</b>	<b>0.1</b>	<b>47.3</b>	<b>0.73</b>	<b>54.8</b>
	<b>Main</b>	<b>39.0</b>	<b>51.0</b>	<b>12.0</b>	<b>0.76</b>	<b>108.4</b>	<b>2.21</b>	<b>165.8</b>
	including	40.2	47.5	7.3	1.02	155.6	3.10	232.5
LRGG-19-050	<b>San Juan</b>	<b>15.0</b>	<b>60.3</b>	<b>45.3</b>	<b>0.39</b>	<b>76.3</b>	<b>1.41</b>	<b>105.8</b>
	including	37.5	54.2	16.7	0.84	147.4	2.81	210.8
	including	48.0	54.2	6.2	1.01	241.7	4.23	317.3
LRGG-19-051	<b>San Juan</b>	<b>0.0</b>	<b>24.0</b>	<b>24.0</b>	<b>0.40</b>	<b>86.4</b>	<b>1.55</b>	<b>116.3</b>
	<b>San Juan</b>	<b>45.7</b>	<b>70.0</b>	<b>24.3</b>	<b>0.58</b>	<b>51.0</b>	<b>1.26</b>	<b>94.5</b>



Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
	including	47.8	54.0	6.2	1.67	86.2	2.82	211.5
LRGG-19-052	<b>San Juan<sup>12</sup></b>	<b>83.5</b>	<b>108.0</b>	<b>22.5</b>	<b>0.32</b>	<b>64.4</b>	<b>1.18</b>	<b>88.5</b>
	Including <sup>12</sup>	84.5	94.0	7.5	0.87	125.8	2.55	191.3
	Including	91.0	94.0	3.0	0.68	226.6	3.70	277.5
LRGG-19-053	<b>El Troce</b>	<b>130.9</b>	<b>141.0</b>	<b>10.1</b>	<b>1.53</b>	<b>164.3</b>	<b>3.72</b>	<b>279.0</b>
	Including	135.0	137.8	2.8	5.22	489.5	11.75	881.3
LRGG-19-054	<b>San Juan<sup>13</sup></b>	<b>25.0</b>	<b>43.0</b>	<b>16.5</b>	<b>0.74</b>	<b>93.5</b>	<b>1.98</b>	<b>148.5</b>
	Including	37.5	41.6	4.1	2.78	233.1	5.89	441.8
LRGG-19-055	<b>Main<sup>14</sup></b>	<b>290.1</b>	<b>307.5</b>	<b>14.4</b>	<b>0.58</b>	<b>75.1</b>	<b>1.59</b>	<b>119.3</b>
LRGG-19-056	<b>Main<sup>15</sup></b>	<b>296.0</b>	<b>325.0</b>	<b>26.0</b>	<b>0.50</b>	<b>185.5</b>	<b>2.97</b>	<b>222.8</b>
	including	312.0	316.0	4.0	1.89	920.0	14.16	1,062.1
LRGG-19-057	<b>Main</b>	<b>230.4</b>	<b>244.5</b>	<b>14.1</b>	<b>0.91</b>	<b>130.6</b>	<b>2.65</b>	<b>199.1</b>
	including	237.8	243.0	5.3	2.14	252.5	5.50	412.8
LRGG-19-058	<b>El Troce</b>	<b>32.3</b>	<b>45.0</b>	<b>12.8</b>	<b>0.16</b>	<b>35.7</b>	<b>0.64</b>	<b>47.8</b>
LRGG-19-059	<b>El Troce<sup>16</sup></b>	<b>10.5</b>	<b>24.6</b>	<b>11.0</b>	<b>0.94</b>	<b>133.7</b>	<b>2.72</b>	<b>204.2</b>
	Including <sup>17</sup>	14.3	19.0	3.5	1.95	277.2	5.65	423.4
LRGG-19-060	<b>El Troce</b>	<b>0.0</b>	<b>16.0</b>	<b>16.0</b>	<b>0.32</b>	<b>65.5</b>	<b>1.19</b>	<b>89.5</b>
	Including	9.0	12.0	3.0	0.83	161.8	2.98	223.8
LRGG-19-061	<b>Main<sup>18</sup></b>	<b>324.4</b>	<b>349.2</b>	<b>18.0</b>	<b>0.08</b>	<b>54.2</b>	<b>0.80</b>	<b>60.3</b>
	including	337.7	340.8	3.1	0.04	108.5	1.49	111.9
LRGG-19-062	<b>San Juan</b>	<b>88.5</b>	<b>106.5</b>	<b>18.0</b>	<b>0.20</b>	<b>45.1</b>	<b>0.80</b>	<b>59.7</b>
	including	90.0	93.0	3.0	0.63	118.0	2.20	165.3
LRGG-19-063	<b>Main</b>	<b>98.0</b>	<b>122.5</b>	<b>24.5</b>	<b>0.53</b>	<b>85.3</b>	<b>1.67</b>	<b>125.1</b>
	including	103.5	108.9	5.3	1.90	228.8	4.96	371.6
LRGG-19-064	<b>Main</b>	<b>112.0</b>	<b>127.5</b>	<b>15.5</b>	<b>0.25</b>	<b>52.4</b>	<b>0.95</b>	<b>71.2</b>
LRGG-19-065	<b>Main<sup>19</sup></b>	<b>276.0</b>	<b>291.0</b>	<b>13.1</b>	<b>0.23</b>	<b>83.9</b>	<b>1.35</b>	<b>101.1</b>
	including	281.0	286.4	5.4	0.50	154.7	2.57	192.4
LRGG-19-066	<b>San Juan</b>	<b>140.5</b>	<b>155.5</b>	<b>15.0</b>	<b>0.32</b>	<b>44.8</b>	<b>0.91</b>	<b>68.5</b>
LRGG-19-067	<b>San Juan</b>	<b>88.5</b>	<b>101.5</b>	<b>13.0</b>	<b>0.15</b>	<b>30.7</b>	<b>0.56</b>	<b>41.9</b>
LRGG-19-068	<b>Main South</b>	<b>161.9</b>	<b>169.7</b>	<b>7.8</b>	<b>0.92</b>	<b>161.1</b>	<b>3.07</b>	<b>230.1</b>
	including	162.8	166.0	3.2	2.14	361.4	6.96	521.7
LRGG-19-069	<b>San Juan<sup>20</sup></b>	<b>107.0</b>	<b>128.5</b>	<b>16.3</b>	<b>1.11</b>	<b>103.0</b>	<b>2.48</b>	<b>186.1</b>
	including	120.8	123.8	3.0	3.56	351.2	8.24	618.0
LRGG-19-070	<b>Main South</b>	<b>119.1</b>	<b>128.7</b>	<b>9.6</b>	<b>0.02</b>	<b>14.3</b>	<b>0.21</b>	<b>15.6</b>
LRGG-19-071	<b>San Juan</b>	<b>101.6</b>	<b>120.8</b>	<b>19.2</b>	<b>0.28</b>	<b>53.8</b>	<b>1.00</b>	<b>75.0</b>
LRGG-19-072	<b>Main South</b>	<b>101.6</b>	<b>120.8</b>	<b>19.2</b>	<b>0.28</b>	<b>53.8</b>	<b>1.00</b>	<b>75.0</b>
LRGG-19-073	<b>San Juan<sup>21</sup></b>	<b>59.8</b>	<b>96.5</b>	<b>33.5</b>	<b>1.12</b>	<b>116.7</b>	<b>2.67</b>	<b>200.4</b>
	Including	64.5	74.0	9.5	3.01	183.9	5.47	409.9
	Including	86.0	89.0	3.0	1.81	291.4	5.70	427.4
LRGG-19-074	<b>Main<sup>22</sup></b>	<b>346.2</b>	<b>383.9</b>	<b>34.3</b>	<b>0.23</b>	<b>62.6</b>	<b>1.06</b>	<b>79.8</b>
LRGG-19-075	<b>Main South</b>	<b>153.8</b>	<b>160.0</b>	<b>6.2</b>	<b>0.23</b>	<b>15.3</b>	<b>0.43</b>	<b>32.4</b>

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
LRGG-19-076	<b>San Juan</b>	<b>106.5</b>	<b>145.0</b>	<b>38.5</b>	<b>0.73</b>	<b>123.4</b>	<b>2.38</b>	<b>178.2</b>
	including	122.4	128.2	5.8	1.70	260.3	5.17	387.5
	including	136.0	142.0	6.0	1.58	220.0	4.51	338.5
LRGG-19-077	<b>San Juan</b>	<b>112.5</b>	<b>138.5</b>	<b>26.0</b>	<b>1.03</b>	<b>94.5</b>	<b>2.29</b>	<b>171.7</b>
	including	115.5	119.8	4.3	4.28	241.1	7.49	561.9
LRGG-19-078	<b>Main South</b>	<b>178.2</b>	<b>200.1</b>	<b>22.0</b>	<b>0.22</b>	<b>59.9</b>	<b>1.01</b>	<b>76.6</b>
LRGG-19-079	<b>Main</b>	<b>128.2</b>	<b>144.7</b>	<b>16.5</b>	<b>4.29</b>	<b>335.8</b>	<b>8.77</b>	<b>657.8</b>
	including	129.2	134.0	4.8	3.90	782.0	14.32	1,074.4
	including	137.5	143.7	6.2	8.16	212.5	11.00	824.2
	and	150.8	161.5	10.7	0.08	22.7	0.38	28.7
LRGG-19-080	<b>Main</b>	<b>274.3</b>	<b>279.5</b>	<b>5.2</b>	<b>1.10</b>	<b>68.6</b>	<b>2.01</b>	<b>151.0</b>
	and <sup>23</sup>	325.5	342.0	13.5	0.87	214.8	3.73	279.8
LRGG-19-081	<b>Main</b>	<b>189.7</b>	<b>207.1</b>	<b>17.4</b>	<b>0.77</b>	<b>152.4</b>	<b>2.80</b>	<b>209.8</b>
	including	201.0	207.1	6.1	2.07	373.0	7.05	528.6
LRGG-19-082	<b>Main South<sup>24</sup></b>	<b>169.7</b>	<b>196.5</b>	<b>23.5</b>	<b>0.17</b>	<b>43.5</b>	<b>0.75</b>	<b>56.5</b>
	including	180.0	183.0	3.0	0.79	137.8	2.63	197.0
LRGG-19-083	<b>Main</b>	Abandoned in Hanging Wall above Los Ricos Vein						
LRGG-19-084	<b>Main</b>	<b>218.0</b>	<b>225.5</b>	<b>7.5</b>	<b>0.29</b>	<b>29.3</b>	<b>0.68</b>	<b>51.1</b>
LRGG-19-085	<b>Stope</b>	342.0	354.0	12.0	Historical working – backfilled stope			
	<b>Main</b>	<b>354.0</b>	<b>370.8</b>	<b>16.8</b>	<b>0.36</b>	<b>86.1</b>	<b>1.51</b>	<b>113.1</b>
LRGG-19-086	<b>El Troce</b>	<b>194.6</b>	<b>209.9</b>	<b>15.3</b>	<b>0.06</b>	<b>12.1</b>	<b>0.22</b>	<b>16.6</b>
	Including	195.2	196.5	1.3	0.27	44.4	0.86	64.8
LRGG-19-087	<b>Main</b>	<b>219.4</b>	<b>236.4</b>	<b>17.1</b>	<b>0.21</b>	<b>60.0</b>	<b>1.01</b>	<b>76.0</b>
	including	220.5	225.0	4.5	0.60	103.8	1.99	148.9
LRGG-19-088	<b>Main</b>	<b>218.1</b>	<b>237.0</b>	<b>18.9</b>	<b>2.01</b>	<b>496.4</b>	<b>8.63</b>	<b>647.0</b>
	including	227.3	232.3	5.0	7.30	1833.4	31.74	2,380.8
LRGG-19-089	<b>Main</b>	<b>168.4</b>	<b>191.0</b>	<b>22.7</b>	<b>0.63</b>	<b>64.9</b>	<b>1.49</b>	<b>112.0</b>
	including	171.2	177.9	6.7	1.76	113.8	3.28	245.7
LRGG-19-090	<b>Main</b>	<b>194.4</b>	<b>207.3</b>	<b>12.9</b>	<b>0.57</b>	<b>96.5</b>	<b>1.86</b>	<b>139.4</b>
	including	195.4	202.0	6.5	1.08	174.9	3.41	256.0
LRGG-19-091	<b>Main</b>	<b>185.9</b>	<b>199.8</b>	<b>13.9</b>	<b>0.62</b>	<b>80.1</b>	<b>1.69</b>	<b>126.8</b>
	including	185.9	191.7	5.8	1.34	141.2	3.23	242.1
LRGG-19-092	<b>Main</b>	<b>147.0</b>	<b>166.0</b>	<b>19.0</b>	<b>1.27</b>	<b>113.4</b>	<b>2.78</b>	<b>208.4</b>
	including	147.0	159.2	12.2	1.94	172.6	4.25	318.4
	including	149.0	155.5	6.5	3.39	299.2	7.38	553.7
LRGG-20-093	<b>Main</b>	<b>36.7</b>	<b>45.5</b>	<b>8.8</b>	<b>0.41</b>	<b>75.7</b>	<b>1.42</b>	<b>106.6</b>
LRGG-20-094	<b>Main</b>	<b>61.5</b>	<b>65.4</b>	<b>3.8</b>	<b>0.66</b>	<b>173.9</b>	<b>2.97</b>	<b>223.1</b>
LRGG-20-095	<b>Main</b>	<b>30.9</b>	<b>48.0</b>	<b>17.1</b>	<b>0.61</b>	<b>121.4</b>	<b>2.23</b>	<b>167.1</b>
	including	34.1	41.3	7.2	1.20	207.5	3.97	297.6
LRGG-20-096	<b>Main</b>	<b>30.9</b>	<b>47.5</b>	<b>16.6</b>	<b>1.40</b>	<b>62.8</b>	<b>2.24</b>	<b>167.9</b>
LRGG-20-097	<b>Main</b>	<b>72.4</b>	<b>78.9</b>	<b>6.4</b>	<b>0.23</b>	<b>81.2</b>	<b>1.31</b>	<b>98.6</b>

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
LRGG-20-098	<b>Main<sup>25</sup></b> and	<b>62.0</b> 79.0	<b>66.0</b> 93.5	<b>4.0</b> 14.5	<b>1.78</b> 0.12	<b>318.6</b> 31.1	<b>6.03</b> 0.53	<b>452.2</b> 39.9
LRGG-20-099	<b>Main</b> including	<b>53.4</b> 54.5	<b>72.7</b> 60.8	<b>19.4</b> 6.3	<b>0.49</b> 1.08	<b>68.1</b> 108.8	<b>1.39</b> 2.53	<b>104.5</b> 190.1
LRGG-20-100	<b>Main<sup>26</sup></b> including	<b>9.9</b> 11.1	<b>29.1</b> 18.0	<b>17.3</b> 6.9	<b>1.51</b> 2.92	<b>204.3</b> 272.7	<b>4.23</b> 6.56	<b>317.2</b> 492.1
LRGG-20-101	<b>San Juan</b> including	<b>120.8</b> 146.5	<b>154.5</b> 151.5	<b>33.8</b> 5.0	<b>0.54</b> 2.00	<b>115.9</b> 466.9	<b>2.08</b> 8.22	<b>156.0</b> 616.6
LRGG-20-102	<b>Main</b>	<b>0.0</b>	<b>10.7</b>	<b>10.7</b>	<b>1.05</b>	<b>156.2</b>	<b>3.13</b>	<b>234.8</b>
LRGG-20-103	<b>Main</b>	<b>0.0</b>	<b>17.0</b>	<b>17.0</b>	<b>0.28</b>	<b>93.1</b>	<b>1.53</b>	<b>114.4</b>
LRGG-20-104	<b>Main</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>0.44</b>	<b>88.3</b>	<b>1.61</b>	<b>120.9</b>
LRGG-20-105	<b>Main</b> including	<b>2.2</b> 15.4	<b>24.6</b> 21.8	<b>22.4</b> 6.4	<b>0.39</b> 0.81	<b>75.8</b> 134.8	<b>1.40</b> 2.60	<b>105.3</b> 195.3
LRGG-20-106	<b>San Juan</b> including	<b>101.1</b> 101.1	<b>122.0</b> 110.6	<b>21.0</b> 9.5	<b>1.35</b> 2.83	<b>117.9</b> 217.0	<b>2.92</b> 5.73	<b>219.4</b> 429.5
LRGG-20-107	<b>Main</b>	<b>6.0</b>	<b>34.0</b>	<b>28.0</b>	<b>0.20</b>	<b>40.6</b>	<b>0.75</b>	<b>55.9</b>
LRGG-20-108	<b>Main</b> stope	<b>20.9</b> 33.8	<b>33.8</b> 38.0	<b>12.9</b> 4.2	<b>0.79</b>	<b>96.9</b>	<b>2.08</b>	<b>155.8</b>
LRGG-20-109	<b>Main</b> including and	<b>5.2</b> 9.0 27.0	<b>21.0</b> 12.0 29.6	<b>15.8</b> 3.0 2.6	<b>0.69</b> 2.61 0.39	<b>79.5</b> 225.0 92.5	<b>1.75</b> 5.61 1.63	<b>131.4</b> 420.6 122.0
LRGG-20-110	<b>Main</b> including	<b>0.0</b> 0.0	<b>22.0</b> 6.0	<b>22.0</b> 6.0	<b>0.38</b> 0.62	<b>102.0</b> 191.6	<b>1.74</b> 3.17	<b>130.3</b> 238.0
LRGG-20-111	<b>Main</b>	<b>226.0</b>	<b>232.9</b>	<b>6.9</b>	<b>0.31</b>	<b>49.5</b>	<b>0.97</b>	<b>72.6</b>
LRGG-20-112	<b>San Juan</b> and	<b>130.9</b> 144.1	<b>136.3</b> 153.8	<b>5.3</b> 9.8	<b>0.19</b> 0.33	<b>39.9</b> 52.7	<b>0.73</b> 1.03	<b>54.5</b> 77.4
LRGG-20-113	<b>Main</b>	<b>4.0</b>	<b>21.3</b>	<b>17.3</b>	<b>0.47</b>	<b>54.7</b>	<b>1.20</b>	<b>90.1</b>
LRGG-20-114	Main	Abandoned in Hanging Wall above Los Ricos Vein						
LRGG-20-115	<b>Main</b> including	<b>4.5</b> 4.5	<b>24.0</b> 14.1	<b>19.5</b> 9.6	<b>0.61</b> 1.17	<b>152.8</b> 281.3	<b>2.65</b> 4.93	<b>198.7</b> 369.5
LRGG-20-116	<b>San Juan</b>	<b>26.0</b>	<b>36.6</b>	<b>10.6</b>	<b>0.37</b>	<b>52.6</b>	<b>1.07</b>	<b>80.2</b>
LRGG-20-117	<b>Main</b>	<b>3.0</b>	<b>21.8</b>	<b>18.8</b>	<b>1.68</b>	<b>128.5</b>	<b>3.39</b>	<b>254.5</b>
LRGG-20-118	<b>San Juan</b> including	<b>97.0</b> 107.6	<b>116.8</b> 110.3	<b>19.8</b> 2.7	<b>0.38</b> 1.66	<b>58.2</b> 142.1	<b>1.16</b> 3.56	<b>86.9</b> 266.7
LRGG-20-119	<b>Main</b> including	<b>0.0</b> 8.4	<b>26.4</b> 21.0	<b>26.4</b> 12.6	<b>0.91</b> 1.60	<b>135.0</b> 196.0	<b>2.71</b> 4.21	<b>203.2</b> 315.7
LRGG-20-120	<b>Main</b>	<b>10.5</b>	<b>15.0</b>	<b>4.5</b>	<b>0.11</b>	<b>37.6</b>	<b>0.61</b>	<b>46.0</b>
LRGG-20-121	<b>San Juan</b> including	<b>152.6</b> 158.1	<b>186.0</b> 163.0	<b>33.5</b> 4.9	<b>0.32</b> 1.58	<b>52.5</b> 211.2	<b>1.02</b> 4.40	<b>76.2</b> 329.9
LRGG-20-122	<b>Main</b> including	<b>37.4</b> 41.2	<b>51.0</b> 47.9	<b>13.6</b> 6.7	<b>0.25</b> 0.41	<b>74.0</b> 114.7	<b>1.24</b> 1.94	<b>92.8</b> 145.5

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
LRGG-20-123	<b>San Juan</b> <sup>27</sup> including	<b>39.0</b> 41.5	<b>65.4</b> 45.0	<b>22.1</b> 3.5	<b>0.31</b> 0.67	<b>41.8</b> 71.4	<b>0.87</b> 1.62	<b>65.0</b> 121.7
LRGG-20-124	<b>Main</b>	<b>260.4</b>	<b>266.0</b>	<b>5.6</b>	<b>1.41</b>	<b>181.4</b>	<b>3.83</b>	<b>287.1</b>
LRGG-20-125	<b>Main</b> including	<b>12.0</b> 27.0	<b>39.6</b> 32.2	<b>27.6</b> 5.2	<b>0.31</b> 0.84	<b>63.0</b> 125.4	<b>1.15</b> 2.51	<b>86.0</b> 188.2
LRGG-20-126	<b>San Juan</b> including	<b>73.0</b> 74.6	<b>98.7</b> 80.8	<b>25.7</b> 6.2	<b>0.48</b> 0.98	<b>56.5</b> 97.0	<b>1.23</b> 2.27	<b>92.2</b> 170.5
LRGG-20-127	<b>San Juan</b> including	<b>228.5</b> 229.5	<b>239.0</b> 233.6	<b>10.6</b> 4.2	<b>1.42</b> 3.54	<b>264.0</b> 614.9	<b>4.94</b> 11.74	<b>370.6</b> 880.2
LRGG-20-128	<b>Main</b>	<b>68.0</b>	<b>99.8</b>	<b>31.8</b>	<b>0.11</b>	<b>36.0</b>	<b>0.59</b>	<b>44.6</b>
LRGG-20-129	<b>Main</b> <sup>28</sup> including	<b>15.0</b> 33.0	<b>51.0</b> 44.6	<b>33.0</b> 11.6	<b>1.20</b> 2.76	<b>193.4</b> 402.7	<b>3.78</b> 8.13	<b>283.3</b> 609.6
LRGG-20-130	<b>Main</b>	Abandoned in hanging wall above Los Ricos Vein due to fault						
LRGG-20-131	<b>Main</b>	Abandoned due to excessive hole deviation						
LRGG-20-132	<b>Main</b> including	<b>321.9</b> 340.4	<b>371.2</b> 343.4	<b>49.4</b> 3.0	<b>0.41</b> 5.42	<b>80.3</b> 864.8	<b>1.48</b> 16.95	<b>111.0</b> 1,270.9
LRGG-20-133	<b>Main</b> <sup>29</sup> including	<b>230.6</b> 240.0	<b>270.0</b> 247.5	<b>36.4</b> 7.5	<b>0.36</b> 1.15	<b>81.6</b> 202.5	<b>1.45</b> 3.85	<b>108.7</b> 288.4
LRGG-20-134	<b>San Juan</b>	<b>0.0</b>	<b>14.5</b>	<b>14.5</b>	<b>0.30</b>	<b>51.2</b>	<b>0.99</b>	<b>73.9</b>
LRGG-20-135	<b>Main</b> <sup>30</sup> including	<b>0.0</b> 12.0	<b>25.6</b> 23.3	<b>22.6</b> 11.3	<b>1.06</b> 1.29	<b>132.6</b> 200.1	<b>2.82</b> 3.96	<b>211.8</b> 296.6
LRGG-20-136	<b>Main</b>	<b>162.6</b>	<b>173.8</b>	<b>11.2</b>	<b>3.56</b>	<b>358.4</b>	<b>8.34</b>	<b>625.2</b>
LRGG-20-137	<b>Main</b>	<b>34.25</b>	<b>48.15</b>	<b>13.9</b>	<b>0.91</b>	<b>185.2</b>	<b>3.38</b>	<b>253.6</b>
LRGG-20-138	<b>Main</b> <sup>31</sup>	<b>211.9</b>	<b>223.9</b>	<b>9.0</b>	<b>0.13</b>	<b>67.8</b>	<b>1.03</b>	<b>77.5</b>
LRGG-20-139	<b>Main</b> <sup>32</sup>	<b>13.5</b>	<b>36.1</b>	<b>21.6</b>	<b>0.20</b>	<b>82.0</b>	<b>1.29</b>	<b>96.9</b>
LRGG-20-140	<b>Main</b>	<b>176.9</b>	<b>198.4</b>	<b>21.5</b>	<b>0.12</b>	<b>25.0</b>	<b>0.45</b>	<b>34.0</b>
LRGG-20-141	<b>Main</b>	<b>222.5</b>	<b>231.0</b>	<b>8.5</b>	<b>0.34</b>	<b>58.9</b>	<b>1.12</b>	<b>84.1</b>
LRGG-20-142	<b>Main</b> <sup>33</sup> including	<b>136.3</b> 136.3	<b>161.4</b> 142.3	<b>20.1</b> 6.0	<b>0.33</b> 0.97	<b>99.8</b> 257.2	<b>1.67</b> 4.40	<b>124.9</b> 330.1
LRGG-20-143	<b>San Juan</b> including	<b>12.5</b> 19.7	<b>35.7</b> 31.3	<b>23.2</b> 11.7	<b>0.68</b> 1.00	<b>112.6</b> 149.9	<b>2.18</b> 2.99	<b>163.4</b> 224.5
LRGG-20-144	<b>Main</b> including	<b>47.7</b> 48.8	<b>74.3</b> 53.5	<b>26.6</b> 4.7	<b>0.29</b> 1.24	<b>47.5</b> 128.7	<b>0.92</b> 2.95	<b>69.3</b> 221.4
LRGG-20-145	<b>San Juan</b> including	<b>3.8</b> 3.8	<b>26.1</b> 13.8	<b>22.3</b> 10.0	<b>1.01</b> 1.79	<b>52.4</b> 63.9	<b>1.71</b> 2.64	<b>128.2</b> 198.0
LRGG-20-146	<b>Main</b>	<b>249.4</b>	<b>253.5</b>	<b>4.2</b>	<b>2.87</b>	<b>343.8</b>	<b>7.45</b>	<b>558.7</b>
LRGG-20-147	<b>Main</b> including	<b>9.0</b> 9.0	<b>24.4</b> 14.3	<b>15.4</b> 5.3	<b>0.79</b> 1.54	<b>91.1</b> 135.2	<b>2.00</b> 3.35	<b>150.0</b> 250.9
LRGG-20-148	<b>Main</b>	Hole suspended at 498m due to COVID-19 stoppage						
LRGG-20-149	<b>San Juan</b>	<b>194.2</b>	<b>219.7</b>	<b>25.5</b>	<b>0.07</b>	<b>14.4</b>	<b>0.26</b>	<b>19.2</b>

Hole ID	Comment	From (m)	To (m)	Length <sup>1</sup> (m)	Au (g/t)	Ag (g/t)	AuEq <sup>2</sup> (g/t)	AgEq <sup>3</sup> (g/t)
LRGC-19-001	Cerro Colorado	23.3	27.2	3.9	1.59	177.3	3.95	296.3
LRGC-19-001	Cerro Colorado	23.3	27.2	3.9	1.59	177.3	3.95	296.3
LRGC-19-002	Cerro Colorado	0	3.5	3.5	3.27	90.4	4.47	335.3
LRGC-19-003	Cerro Colorado	2	8.5	6.5	1.38	39	1.9	142.5
LRGC-19-004	Cerro Colorado including	6.5 7.3	18 11	11.5 3.7	1.28 3.36	107.2 294.6	2.71 7.29	203.3 546.8
LRGC-19-005	Cerro Colorado and	30 43.5	37 56.5	7 13	0.18 0.12	11.5 16.4	0.33 0.34	24.8 25.5
LRGC-19-006	Cerro Colorado	0	11.5	11.5	0.56	10.3	0.7	52.5
LRGC-19-007	Cerro Colorado and	53.8 68.5	56 77	2.2 8.5	0.28 0.06	27.3 15.7	0.64 0.27	48.0 20.3

- Not true width
- AuEq converted using a silver to gold ratio of 75:1
- AgEq converted using a gold to silver ratio of 1:75
- Voids from historical underground workings, no sample
- Excludes 2.0m of open stopes from historical underground workings
- Excludes 5.4m of open stopes from historical underground workings
- Excludes 2.4m of open stopes from historical underground workings
- Excludes 4.3m of open stopes from historical underground workings
- Excludes 4.1m of open stopes from historical underground workings
- Excludes 5.2m of open stopes from historical underground workings
- Excludes 1.4m of open stopes from historical underground workings
- Excludes 2.0m of open stopes from historical underground workings
- Excludes 1.5m of open stopes from historical underground workings
- Excludes 3.0m of open stopes from historical underground workings
- Excludes 3.0m of open stopes from historical underground workings
- Excludes 3.1m of open stopes from historical underground workings
- Excludes 1.8m of open stopes from historical underground workings
- Excludes 6.8m of open stopes from historical underground workings
- Excludes 1.9m of open stopes from historical underground workings
- Excludes 5.3m of open stopes from historical underground workings
- Excludes 3.3m of open stopes from historical underground workings
- Excludes 3.5m of open stopes from historical underground workings
- Excludes 3.0m of open stopes from historical underground workings
- Excludes 3.4m of open stopes from historical underground workings
- Hanging portion of vein above a 7.5m wide mined void
- Excludes 1.9m of open stopes from historical underground workings
- Excluding 4.3m of open stopes from historical underground workings.
- Excluding 3.0m of open stopes from historical underground workings
- Excluding 3.0m of open stopes from historical underground workings.
- Excluding 3.0m of open stopes from historical underground workings.
- Excluding 3.0m of open stopes from historical underground workings.
- Excluding 1.0m of open stopes from historical underground workings.
- Excluding 5.0m of open stopes from historical underground workings.

## Process

The diamond drill core (HQ size) is geologically logged, photographed and marked for sampling. When the sample lengths are determined, the full core is sawn with a diamond blade core saw with one half of the core being bagged and tagged for assay. The remaining half portion is returned to the core trays for storage and/or for metallurgical test work.

The sealed and tagged sample bags are transported to the ActLabs facility in Zacatecas, Mexico. ActLabs crushes the samples and prepares 200-300 gram pulp samples with ninety percent passing Tyler 150 mesh (106µm). The pulps are assayed for gold using a 50 gram charge by fire assay (Code 1A2-50) and over limits greater than 10 grams per tonne are re-assayed using a gravimetric finish (Code 1A3-50). Silver and multi-element analysis is completed using total digestion (Code 1F2 Total Digestion ICP). Over limits greater than 100 grams per tonne silver are re-assayed using a gravimetric finish (Code 8-Ag FA-GRAV Ag).

Quality assurance and quality control ("QA/QC") procedures monitor the chain-of-custody of the samples and includes the systematic insertion and monitoring of appropriate reference materials (certified standards, blanks and duplicates) into the sample strings. The results of the assaying of the QA/QC material included in each batch are tracked to ensure the integrity of the assay data. All results stated above have passed the Corporation's QA/QC protocols.

## Expenditures

During the quarter ended March 31, 2020, the Corporation capitalized \$1,906 to the Los Ricos project, including share consideration of \$160 (six months ended March 31, 2020 – \$271) and cash expenditures and additions to payables of \$1,746 (six months - \$3,720). The cash expenditures and additions to payables included drilling, geological consulting, assays, consulting payments, concession tax payments, and other associated costs. The share consideration is attributed to 325,000 common shares issued to external consultants in line with the commitment disclosed on page 17. At March 31, 2020, the Corporation has a remaining principal obligation of \$1,693 (discounted value - \$1,599) associated with the acquisition of the project, the full details of which are included in the condensed consolidated interim financial statements.

## SUMMARY OF QUARTERLY RESULTS

Quarter ending	Revenue	Cost of Sales	General and Admin.	Net Income (Loss) from Continuing Operations	Net Income (Loss) from Discontinued Operations	Net Income (Loss)	Shareholder's Equity	Net Income (Loss) per Share
Mar 31, 2020 (Q2-20)	\$ 8,613	\$ 7,885	\$ 1,415	\$ (1,993)	\$ -	\$ (1,993)	\$ 88,447	\$ (0.010)
Dec 31, 2019 (Q1-20)	9,293	8,110	1,023	535	-	535	73,715	0.003
Sept 30, 2019 (Q4-19)	9,709	8,505	1,200	751	-	751	72,811	0.004
Jun 30, 2019 (Q3-19)	6,383	6,062	1,224	(3,227)	-	(3,227)	66,568	(0.019)
Mar 31, 2019 (Q2-19)	7,030	6,678	1,139	2,437	-	2,437	69,386	0.014
Dec 31, 2018 (Q1-19)	3,850	5,437	1,137	8,153	-	8,153	66,449	0.048
Sept 30, 2018 (Q4-18)	3,492	25,610	971	(67,915)	(605)	(68,520)	58,934	(0.399)
Jun 30, 2018 (Q3-18)	6,289	8,588	1,032	(3,626)	-	(3,626)	127,240	(0.021)

In Q2 2020, the Corporation recorded revenue of \$8,613 on 567,013 silver equivalent ounces sold at an average realized price of \$15.19, compared to sales of \$7,030 on 475,921 silver equivalent ounces sold at an average realized price of \$14.77 in Q2 2019. The 567,013 ounces sold is slightly lower compared to the ounces produced in the quarter due to changes in finished goods inventory. Market average silver prices in Q2 2020 were \$16.94, compared to \$15.61 in Q2 2019. In Q2 2020, the difference between the average market price and the average realized price was significant, at 10%, due to the rapid decrease in silver price in mid-March of approximately 30% associated with the COVID-19 pandemic. Due to the rapid decrease in silver price, the cost associated with the offtake increased significantly in the quarter. Details of revenue for the past 5 quarters, as well as for the six months ended 2020 and 2019, are provided in the table at the end of this section.

Cost of sales in Q2 2020 were \$7,885, compared to \$6,678 in Q2 2019. Components of costs of sales in Q2 2020 included \$6,993 of cash costs, or \$12.33 per ounce, and \$892 of amortization and depletion. Cash costs per ounce were previously discussed in the operating results section above. Costs in Q2 2019 included cash costs of \$4,812, or \$10.11 per ounce, amortization and depletion of \$1,509, and a negative adjustment to the net realizable value of inventory of \$357. There were no similar adjustments in Q2 2020. General and administrative expenses increased from \$1,139 in Q2 2019 to \$1,415 in Q2 2020 mainly as a result of increases of stock based compensation from \$131 to \$328, which is mainly attributed to the increase in share price as the Corporation's average share price in Q2 2020 increased 233% compared to Q1 2019.

Cost of sales for the six months ended March 31, 2020 were \$15,995, compared to \$12,114 in 2019. While the number of ounces sold increased by 50% from 2019 to 2020, costs only increased 32%, principally due to a decrease in amortization and depletion costs. Amortization and depletion per ounce was \$3.31 in 2019, compared to \$1.82 in 2020. The decrease relates to an impairment of assets recorded at September 30, 2018, which resulted in the cost per ounce in heap leach inventory associated with amortization and depletion decreasing significantly from 2019 to 2020.

The Corporation recorded a net loss of \$1,993 in Q2 2020, which is principally attributed to an operating loss of \$687 and a foreign exchange loss of \$1,576. The foreign exchange loss principally relates to unrealized losses on the Corporation's input tax recoverable from the Mexican government, which is denominated in Mexican Pesos, which devalued by approximately 30% against the USD at the end of March in relation to COVID-19.

Shareholders' equity was \$72,811 at September 30, 2019 and increased to \$88,447 at March 31, 2020 due principally to the financing completed, which resulted in an increase to equity of \$17,413. This was offset by the net loss and other comprehensive loss.

<b>Revenue:</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>YTD 2019</b>	<b>YTD 2020</b>
Silver ounces sold	311,602	245,706	317,473	356,769	352,096	442,721	708,865
Gold ounces sold	1,953	2,185	2,958	2,317	2,222	3,610	4,539
Silver equivalent ounces sold	475,921	438,740	572,435	555,298	567,013	747,132	1,122,311
Realized price per ounce	\$14.77	\$14.55	\$16.96	\$16.75	\$15.19	\$14.56	\$15.95
<b>Revenue</b>	<b>7,030</b>	<b>6,383</b>	<b>9,709</b>	<b>9,293</b>	<b>8,613</b>	<b>10,880</b>	<b>17,906</b>

### Cash Flows

<b>Cash flows (to) from:</b>	<b>Q2 2019</b>	<b>Q3 2019</b>	<b>Q4 2019</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>YTD 2019</b>	<b>YTD 2020</b>
Operating activities before change in non-cash working capital	\$ 752	\$ 604	\$ 1,959	\$ 1,463	\$ 541	\$ 410	\$ 2,005
Non-cash working capital	(5,312)	(4,194)	(2,463)	(674)	1,369	(8,174)	692
Operating activities	(4,560)	(3,590)	(504)	789	1,910	(7,764)	2,697
Investing activities	(372)	861	(331)	2,302	(3,036)	5,382	(733)
Financing activities	-	-	-	(584)	16,223	-	15,639
Effect of foreign exchange	47	3	(26)	90	(955)	101	(864)
<b>Net increase (decrease)</b>	<b>\$ (4,885)</b>	<b>\$ (2,726)</b>	<b>\$ (861)</b>	<b>\$ 2,597</b>	<b>\$ 14,142</b>	<b>\$ (2,281)</b>	<b>\$16,739</b>

The Corporation generated cash from operations in Q2 2020 of \$1,910, compared to a decrease in cash of \$4,560 from operations in Q2 2019. Included in cash flow from operations are cash flows from site at Parral of \$1,628. The difference in changes in non-cash working capital is attributed primarily to net changes in inventory – last year inventory used cash of \$3,816, compared to providing cash of \$182 in the current year. There were additional cash flows from changes in trade receivables, which was a use of cash of \$1,739 in Q2 2019 compared to providing cash of \$1,363 in Q2 2020. For the six months ended March 31, 2020, operating activities generated cash of \$2,697, compared to using cash of \$7,764 in 2019. The changes are mainly attributed to the improved performance of Parral and generating cash from inventory compared to using cash to increase inventory.

Investing activities in Q2 2020 included \$2,305 of expenditures at the Los Ricos project and \$731 at Parral, which is mainly the SART construction and commissioning. This is an increase from \$372 in Q2 2019, as Los Ricos was acquired on March 25, 2019, so there were no significant exploration and evaluation expenditures. Investing activities provided cash flows of \$5,382 for the six months ended March 31, 2019, which was mainly the net proceeds of \$5,837 on the sale of the Santa Gertrudis royalty, compared to using cash of \$733 in 2020. The \$733 includes net proceeds on the sale of marketable securities of \$5,041, offset by spending at Los Ricos of \$3,799 and Parral at \$1,975.

Financing in 2020 included the net proceeds from the bought deal financing of \$17,413 which closed on February 25, 2020, offset by payments of obligations, mainly related to the acquisition of Los Ricos, of \$1,190 (six months ended - \$1,774). There were no financing activities in the six months ended March 31, 2019.

In Q2 2020, there were foreign exchange losses of \$955 on cash balances, which is predominantly on balances held in Canadian dollars which were raised from the bought deal financing. The Canadian dollar devalued against the USD from 1.34 per USD on the date of financing to 1.41 at March 31, 2020.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Corporation's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and funds from operations. Future financings are dependent on market conditions and there can be no assurance the Corporation will be able to raise funds in the future. The Corporation invests all capital that is surplus to its immediate operational needs in high interest savings accounts.

### **COVID-19**

On March 11, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was classified as a global pandemic, which has resulted in governments enacting emergency measures to combat the spread of the virus. See the liquidity risk section on page 20 for a summary of the impacts on the Corporation. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity and capital markets have also experienced significant volatility and weakness. The governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government's interventions.

The Corporation implemented procedures including employee education, monitoring of symptoms, and increased sanitization, as well as employees working remotely when possible. With the implementation of these procedures for the quarter ended March 31, 2020, there was minimal disruption to the Corporation's operations at Parral or Los Ricos. However, the duration of the outbreak and economic impacts are uncertain and there may be impacts in the future on the Corporation's operations and cash flows, the Corporation's ability to raise financing or the pricing of such financing. See page 4 for COVID-19 events in April 2020.

### **Financing**

On February 25, 2020, the Corporation closed a bought deal whereby a syndicate of underwriters purchased 35,714,285 units at a price of \$0.70 CAD per unit, with each unit consisting of one common share of the Corporation and one half-warrant. The net proceeds attributed to the common shares, after share issuance costs of \$1,401, were \$14,966. The common shares were valued at \$0.61 CAD per share and the half-warrants were valued at \$0.09 CAD. The net proceeds attributed to the half-warrants of \$2,447 is included in contributed surplus.

The 17,857,143 warrants issued related to the financing entitle the holder to acquire a common share of the Corporation at a price of CAD\$0.85 and expire on February 25, 2022. Should the weighted average price of the common shares of the Corporation exceed CAD\$1.20 for a period of 10 consecutive trading days, the Corporation may, at its option, elect to accelerate the expiry of the warrants by providing notice to the holders, in which case the warrants will expire on the date specified in the notice which shall not be less than 30 calendar days following delivery of such notice. At March 31, 2020, 17,857,143 warrants were outstanding.



## Working Capital

A summary of the Corporation's working capital is as follows:

	Mar 31, 2020	Sept 30, 2019
Current assets	\$ 36,146	\$ 21,463
Current liabilities	(8,627)	(8,298)
Working capital	<u>\$ 27,519</u>	<u>\$ 13,165</u>

Working capital increased in the period due principally to the cash raised from the bought deal financing. The working capital of \$27,519 is expected to be more than sufficient to fund the operations and exploration activities of the Corporation for the upcoming twelve months.

## CONTRACTUAL OBLIGATIONS

The Corporation has commitments for the Parral project of \$606 per year for the life of the project, which includes the monthly payments to the Municipality of Parral as disclosed on page 20.

## OUTSTANDING SHARE DATA

At March 31, 2020, the Corporation had a total of 222,106,496 common shares issued and outstanding with a carrying amount of \$163,154, 10,825,000 stock options, 17,857,143 warrants, and 3,850,000 deferred share units issued and outstanding. At March 31, 2020, 9,387,443 common shares were held in escrow for benefit of the vendors of Los Ricos and will be released to the vendors at a rate of 647,791 per month until February 2021, and 376,957 per month from March 2021 until August 2021. Comparative figures for March 31, 2019 were 171,776,481 common shares with a carrying amount of \$142,465, 7,375,000 stock options, and 2,025,000 deferred share units issued and outstanding.

As of the date of this document, there were 222,187,746 common shares, 10,825,000 stock options, 17,857,143 warrants, and 3,850,000 deferred share units issued and outstanding.

## OFF-BALANCE SHEET ARRANGEMENTS

At the date of this document, the Corporation had no off-balance sheet arrangements.

## CRITICAL ACCOUNTING ESTIMATES AND CHANGE IN ACCOUNTING POLICIES

### Accounting Estimates

The preparation of the financial statements requires the Corporation's management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Judgement is used mainly in determining whether a balance or transaction should be recognized in the consolidated financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. However, judgement and estimates are often interrelated. Actual results may differ from these estimates.

The critical estimates and judgments applied in the preparation of the Corporation's Condensed Consolidated Interim Financial Statements for the three and six months ended March 31, 2020 are consistent with those

applied and disclosed in the Corporation's Consolidated Financial Statements for the year ended September 30, 2019. For details of these estimates and judgments please refer to the Corporation's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended September 30, 2019, which are available on the Corporation's website at [www.gogoldresources.com](http://www.gogoldresources.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Change in Accounting Policies**

Except as described below, these condensed consolidated interim financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments, as the Corporation's consolidated financial statements for the year ended September 30, 2019.

In January 2016, the IASB issued IFRS 16, Leases. This standard specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard replaces IAS 17, Leases. On October 1, 2019, the Corporation adopted this standard, which resulted in an increase to property, plant and equipment assets of \$1,990 and a corresponding increase in leasing liabilities.

As a result of the adoption of IFRS 16, the Corporation adopted the following accounting policy for leases:

At the inception of a contract, the Corporation assesses whether a contract is or contains a lease based on whether the contract conveys the right to use an asset for a period of time in exchange for consideration. Contracts identified as leases are recognized as a right-of-use asset within property, plant and equipment and corresponding lease liability as an obligation on the statement of financial position on the commencement date of the lease.

The right-of-use asset is initially measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made before the commencement date, less any lease incentives received, any initial direct costs, and restoration costs expected to be incurred. The right-of-use asset is subsequently amortized on a straight-line basis over the lease-term. The corresponding lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Corporation's incremental borrowing rate. Lease payments include any fixed payments, variable payments that are dependent on an index or a rate in effect at the time of commencement, amounts expected to be paid under residual value guarantees, and the exercise of a purchase option that are reasonably expected to be exercised. The lease liability is subsequently measured at amortized cost using the effective interest method.

The Corporation has elected to apply the following practical expedients in accounting for leases:

i) Separable components

The Corporation has elected not to separate non-lease components from lease components and to account for each lease component and associated non-lease component as a single lease component.

ii) Short-term and leases of assets of low-value

For each class of underlying asset, the Corporation has elected to recognize the exemption for leases with a term of 12-months or less. The recognition exemption for leases of assets of low-value has been applied on a lease-by-lease basis and is comprised of office equipment. Such items are charged to general and administrative expenses over the term of the agreement as payments are made.

The following is a reconciliation of operating lease commitments as at September 30, 2019 under IAS 17 to the lease liability under IFRS 16 on October 1, 2019:

Operating lease commitments as disclosed on September 30, 2019	\$ 1,728
Additional lease commitments due to inclusion of renewals on October 1, 2019	1,000
Discounted using the incremental borrowing rate at October 1, 2019	(738)
<u>Lease liability as at October 1, 2019</u>	<u>\$ 1,990</u>

## FINANCIAL INSTRUMENTS AND OTHER RISKS

### Financial Instruments

The following table provides the disclosures of the fair value and the level in the hierarchy for financial instruments recorded at fair value:

	March 31, 202		September 30, 2019	
	Level 1	Level 2	Level 1	Level 2
Marketable securities	-	-	\$ 4,747	-
Derivative liabilities	-	\$ 232	-	\$ 549

For derivative contracts, the Corporation obtains a valuation of the contracts from counterparties of those contracts or performs valuations internally. The Corporation assesses the reasonableness of these valuations through internal methods and third party valuations. The Corporation then calculates a debt valuation adjustment or a credit valuation adjustment by considering the risk of non-performance by the counterparties and the Corporation's own credit risk. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument, and are therefore classified within Level 2 of the fair value hierarchy.

### Risk

The Corporation is exposed to a number of risks and uncertainties that are common to other mineral exploration and development companies. The mining industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks.

Additional detail on risks and uncertainties is discussed in the Corporation's Annual Information Form dated December 30, 2019, 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.

The Corporation's financial risk exposures and the impact on the Corporation's financial instruments are summarized below:

#### *Commodity price risk*

The profitability of the Corporation's mining operations will be significantly affected by changes in the market price for silver, gold and copper ("Metal"). Metal prices fluctuate on a daily basis and are affected by numerous factors beyond the Corporation's control. The supply and demand for Metal, the level of interest rates, the rate of inflation, investment decisions by large holders of Metal, including governmental reserves, and the stability of exchange rates can all cause significant fluctuations in Metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, and political developments.

#### *Credit Risk*

The Corporation's credit risk is primarily attributable to cash, input tax recoverable and trade receivables. Input tax recoverable consists of harmonized sales tax due from the Federal Government of Canada of \$185 and value added tax from the Federal Government of Mexico of \$9,661. Exposure on trade receivables is

limited as all receivables are with one customer who the Corporation has strong working relationships with and is a reputable large international Corporation with a history of timely payment. Management believes the risk of loss with respect to financial instruments consisting of cash, input tax recoverable and trade receivables to be low.

#### *Foreign Currency Risk*

The Corporation's major purchases are transacted in Canadian dollars, US dollars, and Mexican Pesos. The Corporation funds certain operations, exploration and administrative expenses in Mexico using US dollar and Mexican Peso currency converted from its Canadian and US dollar bank accounts held in Canada. As GoGold Resources Inc., the parent corporation, has a functional currency of Canadian dollars, net liabilities held in US dollars are affected by foreign exchange fluctuations and will affect the Corporation's net income. At March 31, 2020, GoGold Resources Inc. had net monetary assets in US dollars of \$4,940 (September 30, 2019 – \$81), for which a 10% change in US exchange rates would change net income by approximately \$494. At March 31, 2020, the Corporation had net monetary assets in Mexican Pesos of approximately \$7,618 (September 30, 2019 – \$4,868), for which a 10% change in Mexican Peso exchange rates would change net income by approximately \$762.

#### *Interest Rate Risk*

The Corporation has cash balances and the current policy is to invest excess cash in Canadian bank high interest savings accounts, with excess cash held in CAD, USD, or MXN based on future spending requirements and consensus foreign exchange estimates. The Corporation has no interest bearing liabilities.

#### *Liquidity Risk*

The Corporation's general objective when managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Corporation had cash balances of \$19,147, current input tax recoverable of \$4,928, and trade receivables of \$2,250 for settling current liabilities of \$8,627, liquidity is expected to be sufficient to fund the operations of the Corporation for the next twelve months.

### **Derivatives**

The Corporation, through its subsidiary Coanzamex, has an agreement with the Municipality of Parral, Mexico ("Town") to mine and process tailings material for precious metal recovery. The Corporation makes payments of \$48 per month to the Town which varies based on the average market silver price, with payments continuing until tailings are completely mined. As the monthly royalty payment increases based on the average market silver price, from a minimum of \$48 per month to a maximum of \$88 per month, this obligation is accounted for as an embedded derivative liability. The fair value of the liability has been accounted for using a Monte Carlo simulation based on the spot price of silver at March 31, 2020 of \$13.93 (September 30, 2019 - \$17.26), as well as the historical volatility of silver market prices. The fair value of the liability under this method at March 31, 2020 was \$232 (September 30, 2019 - \$549).

### **NON-IFRS MEASURES**

The following provides a reconciliation of cash cost per silver equivalent ounce, cash cost per silver ounce net of gold credits, and all in sustaining costs per silver equivalent ounce to the unaudited condensed consolidated interim financial statements. Cash costs and all in sustaining costs are calculated in line with guidance provided by the World Gold Council in November 2018. These non-IFRS measures are used as these terms are typically used by mining companies to assess the level of gross margin available by subtracting these costs from the unit price realized during the period. These non-IFRS terms are also used to assess the ability of a mining Corporation to generate cash flow from operations. There may be some variation in the method of computation of these metrics as determined by the Corporation compared with other mining companies.

	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	YTD 2019	YTD 2020
<b>Cash Cost Reconciliation</b>							
Production costs, except amortization and depletion	\$ 4,812	\$ 4,702	\$ 6,652	\$ 6,965	\$ 6,993	\$ 8,154	\$ 13,958
Net realizable value adjustment	357	-	-	-	-	1,489	-
Less: non-cash portion of NRV adjustment	(54)	-	-	-	-	(242)	-
Cash costs	5,115	4,702	6,652	6,965	6,993	9,401	13,958
Silver equivalent ounces sold	475,921	438,740	572,435	555,298	567,013	747,132	1,122,311
<b>Cash cost per silver equivalent ounce</b>	<b>\$10.75</b>	<b>\$10.71</b>	<b>\$11.62</b>	<b>\$12.54</b>	<b>\$12.33</b>	<b>\$12.58</b>	<b>\$12.43</b>
Net realizable value cash adjustment on inventory <sup>1</sup>	(303)	-	-	-	-	(1,247)	-
Adjusted cash cost	4,812	4,702	6,652	6,965	6,993	8,154	13,958
<b>Adjusted cash cost per silver equivalent ounce<sup>1</sup></b>	<b>\$10.11</b>	<b>\$10.71</b>	<b>\$11.62</b>	<b>\$12.54</b>	<b>\$12.33</b>	<b>\$10.91</b>	<b>\$12.43</b>
Cash costs, per above	5,115	4,702	6,652	6,965	6,993	9,401	13,958
Gold sales	(2,507)	(2,769)	(4,343)	(3,389)	(3,502)	(4,526)	(6,891)
Total cash costs, net of gold sales	2,608	1,933	2,309	3,576	3,491	4,875	7,067
Silver ounces sold	311,602	245,706	317,472	356,769	352,096	442,721	708,865
<b>Cash cost per silver ounce, net of gold credits</b>	<b>\$8.37</b>	<b>\$7.87</b>	<b>\$7.27</b>	<b>\$10.02</b>	<b>\$9.91</b>	<b>\$11.01</b>	<b>\$9.97</b>
Net realizable value cash adjustment on inventory <sup>1</sup>	(303)	-	-	-	-	(1,247)	-
Adjusted cash cost, net of gold sales	2,305	1,933	2,309	3,576	3,491	3,628	7,067
<b>Adjusted net cash cost per silver ounce<sup>1</sup></b>	<b>\$7.39</b>	<b>\$7.87</b>	<b>\$7.27</b>	<b>\$10.02</b>	<b>\$9.91</b>	<b>\$8.19</b>	<b>\$9.97</b>
Cash costs, per above	5,115	4,702	6,652	6,965	6,993	9,401	13,958
General and administrative costs	1,139	1,224	1,200	1,023	1,415	2,276	2,438
Sustaining capital expenditures	417	14	6	12	59	540	71
Accretion expense	29	29	29	105	97	58	202
All in sustaining costs	6,699	5,969	7,887	8,105	8,564	12,274	16,669
Silver equivalent ounces sold	475,921	438,740	572,435	555,298	567,013	747,132	1,122,311
<b>AISC per silver equivalent ounce</b>	<b>\$14.08</b>	<b>\$13.61</b>	<b>\$13.78</b>	<b>\$14.59</b>	<b>\$15.10</b>	<b>\$16.43</b>	<b>\$14.85</b>
Net realizable value cash adjustment on inventory <sup>1</sup>	(303)	-	-	-	-	(1,247)	-
Adjusted all in sustaining costs	6,396	5,969	7,887	8,105	8,564	11,027	16,669
<b>Adjusted AISC per silver equivalent ounce<sup>1</sup></b>	<b>\$13.44</b>	<b>\$13.61</b>	<b>\$13.78</b>	<b>\$14.59</b>	<b>\$15.10</b>	<b>\$14.76</b>	<b>\$14.85</b>

1. Adjusted costs are calculated excluding net realizable value adjustments to inventory to provide a comparison to prior quarters for costs associated with the quarter and exclude the adjustment which includes out of period costs.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There have been no changes in the Corporation's internal controls over financial reporting during the three or six months ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

## **FUTURE OUTLOOK**

The Corporation intends to focus on efficiently operating Parral, continuing with the drilling program at Los Ricos, and intends to continue investigating projects that meet its criteria of being advanced, capable of producing at a low all-in cost, and of being developed in a short time frame.

## **FORWARD-LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include the intention to complete an acquisition or disposition or financing transaction, the Corporation's plans for its mineral projects, and reference to the Corporation's internal forecasts. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Corporation to obtain necessary financing, satisfy conditions under any acquisition agreement, or satisfy the requirements of the Toronto Stock Exchange with respect to an acquisition; consumer interest in the Corporation's services and products; competition; and anticipated and unanticipated costs. The forward-looking statements contained in this document are made as of the date of this document and the Corporation does not undertake to update publicly or revise the forward-looking information contained in this document, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. These forward-looking statements should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this document. Although the Corporation has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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. Accordingly, readers should not place undue reliance on forward-looking statements. Factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements include exploration and development risks, 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. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation. Additional factors are noted under "Risk Factors" in the Corporation's Annual Information Form for the year ended September 30, 2019, 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.

Any financial outlook or future-oriented financial information in this document, as defined by applicable securities legislation, has been approved by management of the Corporation as of the date of this document. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned

that such outlook or information should not be used for purposes other than for which it is disclosed in this document.

### **TECHNICAL INFORMATION**

Mr. Robert Harris, P. Eng, who is a qualified person as defined by National Instrument 43-101, *Standard of Disclosure for Mineral Projects*, is responsible for, and has reviewed and approved, the scientific and technical information contained in this document pertaining to Parral.

Mr. David Duncan, P. Geo. who is a qualified person as defined by National Instrument 43-101, *Standard of Disclosure for Mineral Projects*, is responsible for, and has reviewed and approved, the scientific and technical information contained in this document pertaining to Los Ricos.

### **OTHER INFORMATION**

Additional information regarding the Corporation, including the Corporation's Annual Information Form dated December 30, 2019, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Dated: May 6, 2020