

## NEWS RELEASE

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### **GoGold's Parral Pre-Feasibility Study Shows Reserves of 35 Million Ounces Silver Equivalent and a Pre-tax IRR of 80%**

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GoGold Resources Inc. (TSX: GGD), is pleased to announce the completion of a Pre-Feasibility Study on its Parral Tailings project in Chihuahua State, Mexico which defines a reserve of 35 million Silver Equivalent Ounces and a pre-tax internal rate of return ("IRR") of 80%. The study projects an initial capital cost of \$35 million and a life of mine ("LOM") of 12 years with an average annual production of 1.8 million Silver Equivalent Ounces\* (1.2 million ounces of silver and 11,000 ounces of gold). The mine production is planned at 5,000 tonnes per day ("tpd") on a conventional heap leach with a sustaining capital of \$27.5 million over LOM. The Pre-Feasibility Study on the Parral Tailings Project in Chihuahua, Mexico was prepared by The MDM Group of South Africa, in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects". ("NI 43-101")

The study includes a LOM reserve average silver grade of 38.4 grams per tonne ("g/t") silver and 0.31 g/t gold and a recovery of 58% for silver and 64% for gold. Cash operating cost for silver of \$6.48 an ounce using gold as a by-product credit. This project as outlined in the Pre-Feasibility Study has a pre-tax IRR of 80%, with pre-tax Net Cash Flow of \$230 million and a pre-tax Net Present Value ("NPV") of \$159 million using a 5% discount rate. The study is based on a gold and silver price of US\$1,475/oz gold and US\$29/oz silver. Payback for the project is expected in the first 16 months of production.

Final design, engineering, and permitting are anticipated to be completed in the next three months with construction commencing immediately thereafter.

(\*50:1 used for Silver Equivalent Calculation)

**Table 1 - Highlights of Financial Analysis**

Assumed average price of Gold (per ounce)	\$1475.00
Assumed average price of Silver (per ounce)	\$29.00
Life of Mine Revenue	\$612 million
Net cash flow, pre-tax	\$230 million
Net present value at 5%, pre-tax	\$159 million
Net cash flow, after-tax	\$161 million
Net present value at 5%, after-tax	\$107 million
Internal rate of return, pre-tax	80%
Internal rate of return, after-tax	54%
Payback period, pre-tax	1.3 years
After-tax payback period after commencement of production	1.7 years
Capital Costs	\$35 million

Sustaining Capital	\$27.5 million
Cash operating cost per ounce of Silver, net of by-product credit	\$6.48
Cash operating cost per gold equivalent ounce	\$683
<b>Operating Costs</b>	
Mining per tonne	\$2.76
Processing per tonne	\$11.22
Project, general and administration (G&A) per tonne	\$0.27

(All numbers in this press release are in US Dollars)

## Mineral Reserves

The mineral reserve estimate is based on the measured and indicated mineral resources published in the Parral Tailings Project NI 43-101 Technical Report on Mineral Resources dated April 13, 2012. The mineral reserve estimate consists of the total tonnes of tailings expected to be mined. Proven and probable mineral reserves are estimated at 20,370,900 tonnes of 38.43 g/t silver and 0.31 g/t gold.

The mineral reserve has been estimated for the project and was derived from the resource block model developed by D. R. Duncan & Associates Ltd., Canada and based on the mining plan developed by P&E Mining Consultants Inc.

**Table 2 - Mineral Reserve**

Category	Tonnage	Au (g/t)	Ag (g/t)	AuEq (g/t)*	AgEq (g/t)**
Proven	13,257,500	0.31	38.17	1.07	53.67
Probable	7,113,400	0.32	38.90	1.10	54.90
<b>Total:</b>	<b>20,370,900</b>	<b>0.31</b>	<b>38.43</b>	<b>1.08</b>	<b>53.93</b>

(\*AuEq = Au + (Ag/50), \*\*AgEq = Au x 50 + Ag)

The mineral reserve shown in Table 2 is based on a cut-off grade of 0.34 g/t AuEq and incorporates an ore loss of 0% and dilution factor of 0%. Since this is a man-made tailings deposit placed hydraulically, head grade changes are very gradational and the underlying foundation will be distinct from the tailings material during mining. These characteristics will minimize any ore loss and dilution impacts.

## The Parral Tailings Project

The tailings are located near the town of Parral in Chihuahua State, Mexico. GoGold has an irrevocable right to process 100% of the tailings subject to a 12% Net Profit Interest ("NPI") after the deduction of costs, taxes, and capital depreciation. The NPI is, payable to the Municipality of Parral from the production together with a US\$ 30,000 per month property payment to the Municipality which runs LOM. All costs of the property payments and NPI are factored into the financial model.

## **Land for Heap Leach Facility**

GoGold is also pleased to announce that it has secured a 300 hectare property near the Parral Tailings Project for the construction of the Heap Leach facility. The financial terms of the deal have been built into the Capital and Sustaining Capital portions in the Pre-Feasibility Study. The land can be utilized for up to 20 years.

## **Report Filing**

An NI 43-101 technical report on the Pre-Feasibility Study will be posted on SEDAR and on the company's website within 45 days following this news release.

## **Qualified Persons**

David S. Dodd, B.Sc (Hon) FSAIMM - The MDM Group, South Africa  
David R. Duncan, P. Geo., - D. R. Duncan & Associates Ltd., Canada  
Ken Kuchling, P. Eng., - P&E Mining Consultants Inc., Canada

The Pre-Feasibility Study was compiled by MDM Associates Inc. of South Africa supervised by David Dodd, each of whom are independent qualified persons under the standards set forth by National Instrument 43-101, and have reviewed and approved the contents of this news release.

The Reserve estimates were compiled by P&E Mining Consultants Inc. of Canada, supervised by Ken Kuchling P.Eng., each of whom are independent qualified persons under the standards set forth by National Instrument 43-101.

The Resource estimates were compiled by D. R. Duncan & Associates Ltd., Canada, supervised by David Duncan P.Geo., who is an independent qualified person under the standards set forth by National Instrument 43-101.

The Qualified persons listed above have reviewed and approved this news release as defined in National Instrument 43-101.

For further information please contact:

Terence F. Coughlan, President and CEO,  
or,  
Sean Tufford, Vice President, Corporate Development  
GoGold Resources Inc.,  
T: 902 482-1998  
F: 902 442-1898  
Email: [sean@gogoldresources.com](mailto:sean@gogoldresources.com)  
Or visit: [www.gogoldresources.com](http://www.gogoldresources.com)

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*This news release may contain "forward-looking information", as defined in applicable Canadian securities legislation. Forward-looking information typically contains statements with words such as "plans", "expects", "anticipates", "budgets", "forecasts", "strategy", "goals", "objectives", "could", "would", "should", "may", "might", "intends", "believes", "potential", "target", "targeting" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information is based on the current estimates, opinions and beliefs of GoGold, as well as various assumptions and information currently available to GoGold. Although GoGold believes the expectations expressed in such forward-looking information are based on reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information.*

*All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of GoGold, constitute forward-looking information that involves various risks and uncertainties. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect, including, but not limited to, assumptions in connection with. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from GoGold's expectations include exploration risks detailed herein, the failure to establish estimated mineral resources or mineral reserves, volatility of commodity prices, variations of recovery rates and global economic conditions. For additional information with respect to risk factors applicable to GoGold, reference should be made to GoGold's continuous disclosure materials filed from time to time with securities regulators, including, but not limited to, GoGold's Annual Information Form. The forward-looking information contained in this release are made as of the date of this release and GoGold does not undertake to update publicly or revise the forward-looking information contained in this release, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

*No regulatory authority has approved or disapproved the adequacy or accuracy of this release.*