



Transcript of initial interview with Mr. Terry F. Coughlan



President and CEO of GoGold Resources, Inc.



TSX Venture Exchange: GGD

March 8, 2012

Mr. Terry F. Coughlan - President and CEO of GoGold Resources Inc. Mr. Coughlan holds a B.Sc. (geology) degree from St. Mary's University (1987) and has been actively involved in the mineral resource industry since 1984. Mr. Coughlan was director of Gammon Gold Inc., a mineral exploration company which trades on the TSX and NY Stock exchanges, and served as Vice President and Director of that company from 1997 to December 2003. He was Vice President of Acadian Mining Corporation from 2003 to February of 2010 and a director of Acadian Mining Corporation from 2003 until November, 2009. Mr. Coughlan was a Director of Royal Roads Corp. from August, 2008 to February, 2010 and is a qualified person as defined by National Instrument 43-101.

Smallcaps.us: A warm welcome everyone to another Smallcaps.us interview. Our guest today is Mr. Terry Coughlan, the President and CEO for GoGold Resources. We're excited to introduce this Canadian-based mining and exploration Company as it owns two promising properties. GoGold Resources is listed on the TSX Venture Exchange with ticker symbol GGD. Terry, I'm very pleased you could join us today, welcome.

Terry Coughlan: Thank you very much.

Smallcaps.us: To help us get a better picture of GoGold Resources, can you tell us a bit about the Company and its projects, including where they're situated?

Terry Coughlan: Our flagship property is in Durango, Mexico and is called San Diego. It's a 70,000 hectares large project. It's about three and a half hours from Mazatlan and three and a half hours from Durango city. It's in the Sierra Madre Occidental, which is the main precious metals belt in Mexico. We've identified about 20 targets within the project that we're evaluating. But there are two in particular that we started with. The first one is called Breccia Hill and that was basically the easiest one to get to and the most obvious one to start with. We were getting great numbers on the surface so we went in drilled about 15 holes. We've already released results from 11 holes.

And another target on that project is called Chispa De Oro, which means sparkles of gold in Spanish. It's a high sulfidation system and it appears that there's a porphyry system underlying both targets, so it's a pretty exciting project.

The other project we have is in Newfoundland, called the Rambler Project. It was this project that took the company public. We did some drilling on it, but it's basically just sitting idle and all of our efforts really now are on the project in Mexico.

Smallcaps.us: Well thank you. Usually after the introduction, I zoom in on each of the Company's properties, but in this case I would first like to expand on GoGold's management team, because it is quite impressive. So please tell us a bit about the background and expertise of yourself and the other key members of your team?

Terry Coughlan: I started, along with Brad Langille, the strategic adviser with this company, and Fred George, a company called Gammon Lake. That company turned into Gammon Gold, and now recently they changed their name to AuRico Gold. The main operation was a mine called Ocampo, which is still in operation today. I think it employs about 3,000 people.

We built it from scratch. We started it in 1994 and we took it to the Toronto Stock Exchange and now it's listed on the New York Stock Exchange.

So the principals behind the company are myself and Brad, with Fred being a large shareholder.

Smallcaps.us: Okay. That's very nice. Let's turn our attention to GoGold's mining properties. First, the vast San Diego project in Durango State, Mexico, which you just mentioned. This location, and its surroundings, have seen a lot of mining

activities in their history. So why have you chosen to develop this area and how did you come to acquire it?

Terry Coughlan: No question, there's been a lot of activity in Mexico. In the past, there was a lot of small scale mining all through the Sierra Madres and a lot of that had to do with economic conditions. A majority of the projects in Mexico were considered small scale, because the Mexican people who had small budgets, went after the high grade vein style deposits and were typically pretty small.

Since we started in the mid 90's, a lot of capital has come into Mexico and we're starting to see some very large projects of 20 million plus ounces. So some very large discoveries have been made over the last few years.

The property itself was introduced to us by the previous governor of Durango. He mentioned to a contractor, that was working with us at Ocampo, that he'd like to have the same team come into Durango and help develop some properties in Durango. So we went down and saw the project that the director of mines suggested that we should go and have a look at. We saw all kinds of past producing little hand-dug mines all over it, lots of structure, lots of things that are really good for exploration and we spend about two years combining the claims that were there. That was the reason it was still available, it was an area that was broken up and needed a consolidation.

Smallcaps.us: As you earlier mentioned in the interview, in the first mineralized zone at San Diego on which you conducted more work was the Breccia Hill open-pit. What exactly did you do there?

Terry Coughlan: We took about 2,000 continuous samples on surface. They averaged about a gram and a half, which for an open-pit is pretty good grade. You can see that it runs about 150 meters up the side of the hill, it has a 400 meters length and about 100 meters wide. We drilled it and we hit mineralization of between a gram, and gram and a half. The unexpected thing was that we drilled through

the 100-meter zone and we ended up drilling for another three or four hundred meters into a stockwork zone, which we didn't know was there. What it looks like now is that we're sitting on top of the porphyry system with breccias and large stockworks. I think we had 447 meters of 0.09 copper which is not ore grade in any sense of the word but it's something that shows that there's a big system there.

So we're kind of stepping back from the Breccia Hill area and looking at it as a different animal than what we first anticipated. So we think we have a target there that's potentially half a million to a million ounces of gold and silver. Obviously, we don't know that until we drill it, but the moly and copper values were pretty significant.

Smallcaps.us: Okay. And what can you tell us about the other mineralized zones you've already discovered at San Diego?

Terry Coughlan: I mentioned earlier the Chispa De Oro target, which is our main target today. It's a three and a half kilometre long, alteration zone, and almost a kilometer wide. We've had some excellent trenching results on surface from target: 5.8 grams over 40 meters, 16 meters of 3.36 grams, 28 meters of 1.34 gram and 86 meters of 0.83 grams. These are all continuous trenches.

This is a high sulfidation zone, which are typically very large. We started drilling a hole right underneath that 40 meters of 5.8 grams. I'm pretty confident we're going to hit some pretty good numbers there. We should have those results in the next few weeks.

Smallcaps.us: And how do you see San Diego developing in the short to medium term?

Terry Coughlan: Short term, our plan is to drill the Chispa De Oro target in three areas. We've drilled three holes so far and are waiting for assays to come in. It takes some time to get the base metal assays in. In the meantime, we're doing some geophysics and we're sampling and mapping other areas on the project. So there's

going to be a good news flow over the next six to ten weeks.

Smallcaps.us: Okay. That's interesting. And now, over to the Rambler project in Newfoundland, Canada, on which you also started a drill program in 2011. What are the results of that program and how do you envision the future of that project?

Terry Coughlan: The holes were drilled on October, but we're still waiting on some assays. We're expecting them anytime. Our plan is to not do a whole lot of work on it. We just finished a half a million dollar database program, putting the drilling back together and then we drilled about seven holes into the target.

We're next door to Rambler Metals & Mining's mine, which just went into production. They have about three and a half million tons of a couple of percent copper and a couple of grams gold and I wouldn't be surprised if we have that kind of a target on our property. But it's going to take some time to find that out.

Our main project is the big bulk minable target in Mexico, which could be a multi million ounces target versus smaller targets in Newfoundland. I have no idea what we're going to do with Rambler at this moment.

Smallcaps.us: Okay. GoGold is well financed as it raised \$4.5 million dollars just a few weeks ago. Can you share a bit more about your Company's financing activities and its shareholder structure?

Terry Coughlan: We have about 50 million shares right now. We're trading around \$1.60 so that gives us a market cap of around \$90 to \$100 million. As far as cash goes, we have probably just under the \$4.5 million right now. Our budget for the year was about 4.8 million.

Obviously, if the results come in and more drills need to be added, we'll have to do another financing sometime this year. But right now, we've got enough cash to do the program that we're working on.

Smallcaps.us: Terry, as you explained at the beginning of the interview, you have already been involved in the mining industry for many years. So that makes me very curious to find out your view on the gold and silver markets. How do you see them developing in the coming quarters?

Terry Coughlan: I'm very happy where it is right now. Anything over \$1700 is spectacular for the industry. I still tell people anytime gold is over \$700 I'm happy. So it's got a long way to go back to 700.

We started Gammon Gold when gold was \$280 an ounce. We raised \$20 million in a period when gold went from \$280 to \$350. What you really have to do is just put your head down, do your work and concentrate on building ounces for our shareholders. So I guess anything over \$700 gold, this industry should be very strong.

Smallcaps.us: Well that's great. And as a final question, what are the two or three most compelling reasons for a long-term investor to consider GoGold Resources today?

Terry Coughlan: We think we have an excellent project. The results to date have been very good.

We have a very good management team. We've been in this industry and working in Mexico for the last 15 years. We're quite comfortable being there and we think we have a really good eye for building mines. Most of the companies that we've been involved with ended up having mines built or ready to be built. And that's key for our company.

Smallcaps.us: Fantastic. Terry, it's been a pleasure speaking with you today. Thank you for sharing your thoughts with us and we'd be more than happy to have you back for an update in the near future.

Terry Coughlan: Great. Thank you very much.

Interview Feedback

We welcome your questions and feedback regarding this interview at:

<http://www.smallcaps.us/gogold-resources-ceo-terry-coughlan-discusses-potential-of-vast-san-diego-property-with-smallcaps-us>

About Smallcaps.us

Smallcaps.us highlights solid and honest companies with a market cap below \$100 million. We focus on fundamentally undervalued Companies with real revenues and earnings and we have a special interest in stocks with a high potential, innovative product or service.

Contact Smallcaps.us

Parc de l'Alliance
Boulevard de France 9a
1420 Brussels
Belgium
Tel. +32 (0)2 352 89 09
E-mail: [contact page](#)

Copyright

You're free to distribute this publication. You may not however add, remove, or change any content or links within this publication.

Legal Notice Regarding Forward Looking Statements

The interview referenced herein may contain certain "forward-looking statements" within the meaning of applicable securities laws, including without limitation, statements related to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation the following: (i) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth, and (iii) other risks and uncertainties indicated from time to time in the Company's public filings.