**GoGold Resources Inc.**
**Form 51-102F1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTH PERIODS ENDED JUNE 30, 2012**

## Date and Background

This discussion and analysis of financial position and results of operations is prepared as at August 10, 2012 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended June 30, 2012 for GoGold Resources Inc. (the "Company" or "Corporation"). Those financial statements have been prepared, in Canadian dollars (except as otherwise disclosed), in accordance with International Accounting Standard ("IAS") 34. The Corporation's date of transition to International Financial Reporting Standards ("IFRS") was October 1, 2010. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

## 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 Company 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. 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 Company to obtain necessary financing; satisfy conditions under any acquisition agreement; satisfy the requirements of the TSX Venture Exchange with respect to an acquisition; consumer interest in the Company's services and products; competition; and anticipated and unanticipated costs. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Although the Company 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. 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 Company's initial public offering prospectus dated January 20, 2010, the Company's Filing Statement dated July 9, 2010 and the Company's Management Information Circular dated June 20, 2012, a copy of each may be obtained on the SEDAR website at www.sedar.com.

## Overall Performance and Company Overview

The Company was incorporated under the *Canada Business Corporations Act* (the "CBCA") on January 18, 2008. The head office and the registered office of the Corporation are located at #1301-2000 Barrington Street, Cogswell Tower, Halifax, Nova Scotia.

On July 26, 2010, the Corporation closed the acquisition of the Rambler property in Newfoundland and Labrador for the issuance of 250,000 common shares of the Corporation to the vendor and by paying $130,000 ("the Qualifying Transaction"). The vendor retained a net smelter royalty of 2 per cent. The

Corporation may at any time purchase one-half of the net smelter royalty for $1-million. The Qualifying Transaction also included the completion of a private placement of 1,666,665 flow through shares priced at $0.30 each for gross proceeds of $500,000. As part of the financing, the Corporation paid a finders fee of 41,666 compensation warrants exercisable at $0.30 for two years from the date of closing and paid a $20,000 due diligence fee. In addition, the Corporation granted 150,000 incentive options to a director. The options are exercisable at a price of $0.30 per share for a period of five years from the date of completion of the Qualifying Transaction and vested immediately. The Corporation's common shares began trading on the TSX Venture Exchange under the symbol GGD on July 30, 2010.

On December 10, 2010, the Corporation closed a non-brokered private placement financing for gross proceeds of $6,000,000 comprised of the sale of 24,000,000 common shares at a price of $0.25 per common share (the "Private Placement Financing"). OakRun Precious Metals Fund, Ltd. subscribed for 20,000,000 common shares of the Private Placement Financing resulting in approximately a 49% ownership interest in the Corporation. Also in connection with the Private Placement Financing a finder's fee in the form of an option to purchase 1,000,000 common shares of GoGold at $0.25 per common share for 24 months, all of which have been exercised.

On April 13, 2011, the Corporation acquired all of the issued and outstanding shares of Mexican Gold Holdings Corporation Incorporated ("MHC"), a Canadian Corporation (the "MHC Transaction"). MHC and MHC's wholly owned Canadian subsidiary, North American Gold Holdings Corporation Incorporated ("NAHC"), together own 100% of Minera Durango Dorado S.A. DE C.V., a Mexican Corporation, ("MDD"). MDD is a party to agreements to earn a 100-per-cent interest in five (5) gold and silver properties consisting of a number of Mexican mining concession titles (the "MDD Claims") in Durango, Mexico (the "MDD Agreements"). The MDD Agreements were entered into between December of 2010 and March of 2011.

The terms of the MDD Agreements provide MDD with an option to acquire a 100% interest in the MDD Claims in exchange for the following:

i. a first year payment of US$140,000 (which has been paid);
ii. a total work commitment in total for all MDD Claims for the first three years of US$900,000 and a total work commitment for years four through eight in total for all MDD Claims of US$2,650,000; and,
iii. prepayment of future royalties of US$130,000 per annum starting in year three and ending in year eight. The future royalties will be based on a payment of up to US$4.00 per ounce of gold equivalent NI 43-101 compliant mineable reserves ("Reserves"). Any royalty prepayments will be applied against the final royalty payment due. After year eight of the MDD Agreements, MDD has agreed to pay the current optioners of the MDD Claims a royalty of up to US$4.00 per ounce of any additional increase in Reserves after the end of year eight.
iv. MDD may exercise the option to acquire the MDD Claims at any time by paying the total minimum advance royalty or at the end of the eight year period provided all payments above have been made.

The Corporation issued 14,000,000 common shares to the shareholders of MHC and paid cash consideration of $1,100,000. The last closing price of the common shares of the Corporation prior to the closing of the transaction was $0.78 per share. The resulting amount of $10,920,000 pursuant to the share issuance has been included in share capital and acquisition cost for the MDD Claims (also called the "San Diego Project").

On June 14, 2011, the Corporation announced it had closed an option agreement to acquire additional claims adjacent to the MDD Claims. The terms of the option agreement with the arms-length optioners provide that the Corporation may acquire a 100% interest in these additional claims in exchange for the following:

i. a total payment of US$80,000 (which has been paid).
ii. prepayment of future royalties of US$40,000 per annum starting in year three and ending in year eight. The future royalties will be based on a payment of up to US$4.00 per ounce of gold

equivalent NI 43-101 compliant mineable reserves (“Reserves”). Any royalty prepayments will be applied against the final royalty payment due. After year eight of the MDD Agreements, MDD has agreed to pay the optioners of the Claims a royalty of up to US$4.00 per ounce of any additional increase in Reserves after the end of year eight; and,

iii. MDD may exercise the option to acquire the Claims at any time by paying the total minimum advance royalty or at the end of the eight year period provided all payments above have been made.

In addition, the Corporation acquired additional claims adjacent to the existing project through staking. The payments made for the additional claims acquired June 14, 2011 and the staking totalled $23,995.

The following table summarizes the minimum future financial commitments (in US$) to keep the MDD Agreements in good standing:

| | Fiscal year 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|
| Work commitments | $ 300,000 | $ 300,000 | $ 300,000 | $ 450,000 | $ 450,000 | $ 450,000 | $ 650,000 | $ 650,000 |
| Minimum advance royalty | - | | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 |
| Total | $ 300,000 | 300,000 | 470,000 | 620,000 | 620,000 | 620,000 | 820,000 | 820,000 |

Note: Excess work commitment expenditures in any given year can be applied against future commitments

On December 23, 2011, the Corporation closed a non-brokered private placement financing for gross proceeds of $4,500,000 comprised of the sale of 3,600,000 common shares at a price of $1.25 per common share. In connection with this Private Placement, and in accordance with TSX Venture Exchange Policy, the Corporation paid a finder’s fee in the form of options to purchase 170,000 common shares of GoGold at a price of $1.25 and a cash payment equal to 3.5% of the proceeds raised. The finder’s options expire on December 23, 2014.

On July 30, 2012, the Corporation closed the acquisition of Absolute Gold Holdings Incorporated (“Absolute”). GoGold acquired all of the issued and outstanding common shares of Absolute (“Absolute Shares”) and all of the common share purchase warrants of Absolute (“Absolute Warrants”) in exchange for the issuance of 0.81 of a common share of GoGold (“GoGold Share”) for each Absolute Share and 0.81 of a common share purchase warrant of GoGold (“GoGold Warrant”) for each Absolute Warrant, through a plan of arrangement (“Plan of Arrangement”) completed under the Canada Business Corporations Act (the “Acquisition Transaction”).

Prior to completion of the Acquisition Transaction, Absolute completed a brokered private placement financing (the “Offering”) of subscription receipts sold through a syndicate of agents (collectively, the “Agents”) for gross proceeds of $30,000,000 which was received by the Corporation on July 30, 2012 net of associated costs, which included payment of a cash commission of $1,500,000, together with applicable expenses and taxes. Pursuant to the private placement, the subscription receipts were exchanged for a total of 30,000,000 Absolute Shares and 15,000,000 Absolute Warrants.

Under the terms of the Acquisition Transaction, the 83,000,000 Absolute Shares issued and outstanding, and the 15,000,000 Absolute Warrants issued and outstanding were exchanged into 67,230,000 GoGold Shares and 12,150,000 GoGold Warrants, in accordance with the terms of the Plan of Arrangement. Each GoGold Warrant is exercisable into one GoGold Share at an exercise price of $1.50 until January 24, 2015.

Under the Acquisition Agreement, the Corporation has acquired 100% of the issued and outstanding Absolute Shares and Absolute Warrants, such that Absolute, which owns an interest in the Parral Tailings Project located in Chihuahua, Mexico, through its wholly-owned subsidiary Grupo Coanzamex S.A. De C.V., is now a wholly-owned subsidiary of the Corporation

The Acquisition Transaction provided that the Corporation be responsible for costs associated with the Parral Tailings Project from the date the letter agreement was entered into to the closing date or other termination of the agreement. To June 30, 2012, the costs associated with the Parral Tailings Project amount to $382,148 and have been classified as deferred expenditures comprised of $191,126 on property maintenance and exploration expenditures, $66,807 of geological consulting fees, $84,215 of legal fees and $40,000 of regulatory and accounting fees.

The final approval bulletin of the TSX Venture Exchange (the "TSX-V") was issued on August 1, 2012, and the GoGold Shares resumed trading on the TSX-V on August 2, 2012. The Corporation had no change to its directors or officers as a result of the Acquisition Transaction.

## Summary of Quarterly Results (in $)

| | Revenue | Expenses | Net Loss | Working Capital | Total Assets | Shareholder Equity | Loss per Share |
|---|---|---|---|---|---|---|---|
| **June 30, 2012** | **0** | **545,754** | **545,754** | **866,978** | **21,124,489** | **20,643,348** | **.01** |
| **March 31, 2012** | **0** | **687,765** | **687,765** | **3,111,218** | **21,293,858** | **21,057,774** | **.01** |
| **December 31, 2011** | **0** | **448,766** | **448,766** | **4,884,168** | **21,592,944** | **21,339,914** | **.01** |
| **September 30, 2011** | **0** | **401,948** | **401,948** | **2,111,435** | **17,442,319** | **17,183,696** | **.01** |
| **June 30, 2011** | **0** | **274,060** | **274,060** | **4,298,585** | **17,764,730** | **17,686,049** | **.01** |
| **March 31, 2011** | **0** | **208,211** | **208,211** | **6,591,813** | **7,210,452** | **7,096,442** | **.01** |
| **December 31, 2010** | **0** | **409,889** | **409,889** | **6,707,365** | **7,049,964** | **6,967,190** | **.01** |
| **September 30, 2010** | **0** | **236,272** | **236,272** | **945,206** | **1,231,714** | **1,186,228** | **.01** |

## Results of Operations

The Corporation is carrying out exploration on the San Diego property which to date has focused on drilling the Breccia Hill area (San Diego North); drilling, sampling, trenching and mapping the Chispa De Oro area (San Diego East); and, mapping and sampling other areas of the 70,987 hectare property. The Corporation has now completed the Phase I programme at the Rambler project in Newfoundland and future plans for the property are being determined at this time.

During the three and nine month periods ended June 30, 2012 and 2011, the Corporation earned no revenue. During the three and nine month periods ended June 30, 2012, the Corporation incurred general and administrative expenses of $414,149 and $1,238,102. The comparative figures for the prior year were $241,953 and $826,634. The primary reasons for the increase in both period expenses compared to the previous year are increased professional fees related to the Acquisition Transaction and the MHC Transaction described above as well as increased support and corporate expenses related to exploration activities in Mexico for the San Diego project. There was also a total of $94,500 in bonuses to officers, directors and consultants paid in January of 2012. During the three and nine month periods ended June 30, 2012, the Corporation also incurred regulatory expenses of $16,497 and $71,307 (2011 - $7,343 and $25,662). The increase in these expenses over both periods were primarily a result of increased filing fees and costs for regulatory authorities and transfer agents which relate to the two transactions the Corporation has undertaken in the last approximately 18 months. The Corporation incurred marketing and public relations expenses during the three and nine months ended June 30, 2012 of $115,109 and $372,876 (2011 - $74,764 and $89,864). The increase in both these expense categories is due to an increased level of trade show attendance, marketing efforts and business activity as a result of the acquisition of the San Diego project in April of 2011.

In addition, the Corporation recorded other income in the comparative three and nine month periods ended June 30, 2011 of $50,000 and $50,000 (2012 - $nil and $nil) as a result of IFRS flow-through share issuance accounting. No flow-through shares were issued in the current periods.

The Corporation incurred a foreign currency gain (loss) arising from the translation of its foreign subsidiaries during the periods of $(50,692) and $3,034 (2011 - $nil and ($15,390)), resulting in a total comprehensive loss for the periods of $596,446 and $1,679,251 (2011 - $274,060 and $907,550).

Exploration Activities
The following table summarizes the exploration and acquisition costs incurred for the nine month period ended June 30, 2012 on the Rambler and San Diego projects:

| | Rambler Project | | | San Diego Project | | | |
|---|---|---|---|---|---|---|---|
| | Balance September 30, 2011 | Additions nine months to June 30, 2012 | Balance June 30, 2012 | Balance September 30, 2011 | Additions nine months to June 30, 2012 | Balance June 30, 2012 | Total |
| Property acquisition costs: | 199,960 | - | 199,960 | 12,512,981 | - | 12,512,981 | 12,712,941 |
| Deferred property exploration costs: | | | | | | | |
| Assays | 30,428 | 28,914 | 59,342 | 192,964 | 630,332 | 823,296 | 882,637 |
| Survey and geophysics | - | - | - | 26,574 | 63,922 | 90,496 | 90,496 |
| Drilling and site work | 182,932 | 75,259 | 258,191 | 199,629 | 1,409,398 | 1,609,027 | 1,867,218 |
| Geological and consulting | 142,305 | 54,346 | 196,651 | 540,376 | 1,126,515 | 1,666,891 | 1,863,542 |
| On site accommodation | 10,111 | 1,330 | 11,441 | 24,699 | 115,015 | 139,714 | 151,155 |
| Equipment rental and fuel | 8,670 | 7,086 | 15,756 | 45,138 | 418,173 | 463,311 | 479,067 |
| Technical and professional | 32,646 | 996 | 33,642 | 58,486 | 175,645 | 234,131 | 267,773 |
| Trenching and field work | 15,842 | 2,922 | 18,765 | 74,691 | 64,747 | 139,438 | 158,203 |
| Management and administration | 14,680 | 6,320 | 21,000 | 254,590 | 592,187 | 846,777 | 867,777 |
| Exploration costs | 437,615 | 177,173 | 614,788 | 1,417,147 | 4,595,932 | 6,013,079 | 6,627,867 |
| Less: Government assistance (Note 4) | - | (100,000) | (100,000) | - | - | | (100,000) |
| Cumulative effect of movements in FX rate | | | | | | 45,861 | 45,861 |
| Total property costs | 637,575 | 77,173 | 714,748 | 13,930,128 | 4,595,932 | 18,571,921 | 19,286,669 |

Note: The Corporation received a grant in the amount of $100,000 from the Government of Newfoundland and Labrador which was applied against exploration costs of the Rambler project.

San Diego Project

During the three month period ended June 30, 2012, exploration work on the San Diego project has focused on drilling the Chispa De Oro target as well as continuing a geophysical programme over the target. Additional work included mapping and sampling other areas of interest on the property.

Drilling has continued on three main areas of the Chispa De Oro target and results will be released once compiled and verified. The drilling completed during the quarter has required helicopter support and the Corporation anticipates this requirement will be reduced in the future.

The current phase of the geophysical programme is nearing completion. The Corporation plans to follow up on the targets generated by the programme once fully analyzed.

The Corporation also filed an updated NI 43-101 technical report regarding the San Diego project on SEDAR dated June 27, 2012.

San Diego Project Future Plans

The Corporation currently plans to continue mapping, sampling and drilling the Chispa De Oro target as well as other prospective areas on the property.

Rambler Project

Management is now determining future plans with regard to the Rambler project. No significant exploration is scheduled until management determines next steps.

Parral Tailings Project

As described above, the Corporation completed the acquisition of Absolute Gold Holdings Corporation on July 27, 2012. The main asset of Absolute is the Parral Tailings Project held through a 100% owned Mexican subsidiary. The Parral Tailings Project is the subject of a NI 43-101 compliant report filed by the Corporation on SEDAR dated May 11, 2012.

Future plans for the Parral Tailings Project are to complete additional auger drilling to convert additional resources from the indicated category to the measured category, continue a base line environmental study, initiate and complete metallurgical studies to properly analyze the material for heap leaching, perform site planning and geotechnical (heap leach pad) investigations and commence a PEA (preliminary economic assessment) which would include site planning and permitting, engineering, environmental assessment, infrastructure and costing as well as financial modeling.

As of the date of this report, a Phase II metallurgical study is underway at the Kappes Cassidy and Associates (“KCA”) laboratories. As well, Servicios de Consultoria Ambiental, a local environmental consulting firm, has initiated the environmental baseline study. The Phase II metallurgical and the environmental baseline studies are on schedule and within budget.

Pending results of the work described above, the Corporation will determine how to proceed.

## Liquidity and Capital Resources

At June 30, 2012, the Corporation had cash of $870,813 (September 30, 2011 - $1,596,623). In addition, the Corporation has investments consisting of short-term investments in the amount of $nil (September 30, 2011 - $277,617) that were held at Schedule "A" Canadian banks and were cashable at any time.

At June 30, 2012, the Corporation had working capital of $866,978 (September 30, 2011 - $2,111,435).

Subsequent to June 30, 2012, pursuant to the closing of the Acquisition Transaction, Absolute received net proceeds of $28,281,166 before paying costs relating to the completion of the Acquisition Transaction.

The following table sets out the principal purposes, using approximate amounts, for which the Corporation currently intends to use its anticipated available working capital over the next 12 months, provided, however, that the Corporation may reallocate funds as required as results of drilling, studies and other work are completed and analyzed.

| **Item** | **Approximate Amount** |
|---|---|
| Estimated Costs of GoGold to Complete the Acquisition | $1,000,000 |
| Anticipated Work on the Parral Tailings Project | $7,500,000 |
| Anticipated Work on the San Diego Property | $13,000,000 |
| General and Administrative Expenses (including staffing, legal, audit, accounting, investor relations, travel) | $1,800,000 |
| **Total** | $23,300,000 |

The remainder of funds will be categorized as available for general corporate purposes.

## Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

## Transactions with Related Parties

During the three and nine month periods ended June 30, 2012, legal services were provided by a prior officer of the Corporation at a cost of $90,965 and $227,355 (2011 - $26,109 and $158,318).

Included in general and administrative and prepaid expense for the three and nine month periods ended June 30, 2012 are insurance premiums amounting to $16,299 and $34,765 (2011 - $23,682 and $35,809) paid to a company owned by a director of the Corporation.

The transactions were in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed to by the related parties.

## Critical Accounting Estimates and Significant Accounting Policies

Share-based payments

The Corporation issues equity-settled share-based payments to certain employees and third parties outside the Corporation. Equity-settled share-based payments are measured at fair value (excluding the effect of nonmarket based vesting conditions) at the date of grant. For share-based payments issued to employees, fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities, forfeitures, expected life and dividend yields based on information available at the time the fair value is measured. For share based payments issued to third parties, fair value is determined based on the consideration received.

Identification of functional currency

The functional currency for each entity in the Corporation is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgment. The Corporation reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimate of recoverability for non-financial assets

Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Corporation's accounting policy, each non-financial asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, and is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal. Value in use is also generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset.

Taxation

The Company's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the balance sheet and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

**Conversion to International Financial Reporting Standards ("IFRS")**

Effective February 2008, the Accounting Standards Board announced that publicly accountable entities would be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for periods beginning on or after January 1, 2011. The transition date of October 1, 2010, required the restatement into IFRS for comparative purposes of amounts previously reported under Canadian GAAP by the Company for the year ended September 30, 2011, including a revised opening balance sheet as at October 1, 2010.

IFRS is based on a conceptual framework that is similar to Canadian GAAP, however, significant differences exist in certain areas of presentation, recognition, measurement and disclosure. While the adoption of IFRS did not have a material impact on reported cash flows, it did have a material impact on the statements of financial position and statements of comprehensive loss. The impact of these differences on the June 30, 2011 statements of financial position and on the statements of comprehensive loss for the three and nine month periods ended June 30, 2011 have been disclosed in the condensed interim consolidated financial statements.

**Post-Implementation**

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. A number of new standards, and amendments to standards and interpretations under IFRS, are not yet effective for the year ending September 30, 2012, and have not been applied in preparing these condensed interim consolidated financial statements.

a) Financial instruments

The IASB has issued a new standard, IFRS 9 (2010), Financial Instruments, which will ultimately replace IAS 39, Financial Instruments – Recognition and Measurement and augments the previously issued IFRS 9 (2009). The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. This standard becomes effective on January 1, 2015. The Company is currently evaluating the impact of this new standard.

The IASB issued IFRS 9 *Financial Instruments* (“IFRS 9”) in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company will evaluate the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

b) Consolidated financial statements

The IASB issued IFRS 10, Consolidated Financial Statements on May 12, 2011 to replace the current IAS 27, Consolidated and Separate Financial Statements. The new standard identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. This new standard is effective for fiscal years beginning January 1, 2013. The Company is currently evaluating the impact of this new standard.

c) Joint arrangements

The IASB issued IFRS 11, Joint Arrangements on May 12, 2011 to replace the current IAS 31, Interests in Joint Ventures. The new standard classifies joint arrangements as either joint ventures or joint operations. Interests in joint ventures will be accounted for using equity accounting, eliminating the proportionate consolidation option currently available under IAS 31. This new standard is effective for fiscal years beginning January 1, 2013. The Company is currently evaluating the impact of this new standard.

d) Disclosure of interest in other entities

On May 12, 2011 the IASB issued IFRS 12, Disclosure of Interest in Other Entities. This standard establishes disclosure requirements for interests in other entities, including joint arrangements, associates, special purpose entities and other off balance sheet entities. This new standard is effective for fiscal years beginning January 1, 2013. The Company is currently evaluating the impact of this new standard.

e) Fair value measurement

The IASB issued IFRS 13, Fair Value Measurement on May 12, 2011. This is a comprehensive standard for fair value measurement and disclosure of fair value measurements across various IFRS standards. IFRS 13 provides a definition of fair value, sets out a single IFRS framework for measuring fair value, and outlines requirements for disclosure of fair value measurements. The new standard is effective for fiscal years beginning January 1, 2013. The Company is currently evaluating the impact of this new standard.

f) Other standards

The IASB amended IAS 1, Presentation of Financial Statements with changes effective July 1, 2012 and IAS 19, Employee Benefits with changes effective January 1, 2013. These standards have been reviewed and they are not anticipated to have a significant impact on the Company.

**Financial Instruments and Other Risks**

The Corporation's financial instruments consist of cash, short-term deposits, deposits, accounts receivable, accounts payable and accrued liabilities. Management does not believe the financial instruments held by the Corporation expose it to any significant interest, currency or credit risks. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted.

Development and exploration of resource properties involves risks, many of which are outside the Corporation's control. At this stage in the Corporation's development it relies on equity financing for the funds to explore its property and potentially develop any resource that may be found. Future financing could be affected by many factors outside the Corporation's control such as market or commodity price changes and general economic conditions. The Corporation does not have sufficient funds from its current financial resources to put any resource in commercial production. There is no assurance such financing will be available to the Corporation when required, or that it will be available on acceptable terms.

Additional detail on risks and uncertainties is discussed in the prospectus dated January 20, 2010, the filing statement dated July 9, 2010 and the Management Information Circular dated June 20, 2012. These documents can be found on SEDAR.

**Outstanding Share Data**

As at June 30, 2012, the Corporation had a total of 61,058,331 common shares issued and outstanding with a recorded value of $23,328,797.

On December 10, 2010, the Corporation closed a non-brokered private placement financing for gross proceeds of $6,000,000 comprised of the sale of 24,000,000 common shares at a price of $0.25 per common share.

On December 21, 2010, the Corporation granted options to acquire 800,000 common shares of the Corporation at a price of $0.30 per share to a consultant. The options had an expiry date of December 21, 2012 and vested immediately. All of these options were exercised on February 3, 2011 for cash proceeds of $240,000.

On December 23, 2011, the Corporation closed a non-brokered private placement financing for gross proceeds of $4,500,000, which comprised the sale of 3,600,000 common shares at a price of $1.25 per share. In connection with this private placement, and in accordance with TSX Venture Exchange Policy, the Corporation paid a finder's fee in the form of a 170,000 warrants to purchase 170,000 common shares of GoGold at a price of $1.25 until December 23, 2014 and a cash payment equal to 3.5% of the proceeds raised in the private placement (also excluding the shares subscribed for by insiders). The majority of the proceeds from the Private Placement will be used to advance the San Diego property in Durango, Mexico.

On March 2, 2012, a third party exercised 50,000 options of a total 100,000 held at an exercise price of $0.85 per common share for cash proceeds of $42,500. The remaining options expire on November 2, 2012.

On March 22, 2012, 41,666 finder's options were exercised at an exercise price of $0.30 per common share for cash proceeds of $12,500. These finder's options were granted in connection with the flow through financing completed as part of the Corporation's qualifying transaction on July 26, 2010.

As a result of the Acquisition Transaction described above, the Corporation issued 67,230,000 common shares and 12,150,000 warrants exercisable into one common share at a price of $1.50 until January 24, 2015.

As of the date of this document, the Corporation has 128,288,331 common shares issued and outstanding and 143,248,331 common shares fully diluted. The fully diluted total includes 12,150,000 warrants, 170,000 brokers warrants and 2,640,000 incentive options outstanding.

As part of the Acquisition Transaction, the officers and directors of the Corporation agreed to place the common shares owned by them and their options into a new escrow agreement administered by Computershare Investor Services (the "Tier 1 Escrow Agreement") which supersedes the existing escrow agreement. Effective July 30, 2012, a total of 6,694,333 common shares and 1,790,000 incentive options will be subject to TSXV Tier 1 escrow provisions and were released 25% effective August 1, 2012 and 25% additional common shares and options will be released on the 6, 12 and 18 month anniversary of August 1, 2012.

In addition, the former common shareholders of Absolute have agreed to place their GoGold Shares received as part of the Acquisition Transaction and those already held in the existing escrow agreement in a second new escrow agreement (the "Tier 2 Escrow Agreement"). Effective July 30, 2012, a total of 43,436,250 common shares will be subject to TSXV Tier 2 escrow provisions and were released 10% effective August 1, 2012 and 15% upon the 6, 12, 18, 24, 30 and 36 month anniversary of August 1, 2012.

A total of 1,383,750 common shares will remain subject to the original escrow agreement.

**Disclosure Controls and Procedures and Internal Controls over Financial Reporting**

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture-listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

**Other Information**

Additional information regarding the Company is available on SEDAR at www.sedar.com.