CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED

SEPTEMBER 30, 2012 AND 2011

(in Canadian Dollars unless stated otherwise)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of GoGold Resources Inc.

We have audited the accompanying consolidated financial statements of GoGold Resources Inc, which comprise the consolidated statements of financial position as at September 30, 2012, September 30, 2011, and October 1, 2010, the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years ended September 30, 2012 and September 30, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of GoGold Resources Inc. as at September 30, 2012, September 30, 2011, and October 1, 2010 and its consolidated financial performance and its consolidated cash flows for the years ended Sepotember 30, 2012 and September 30, 2011 in accordance with International Financial Reporting Standards**.**

KPMG LLP

Chartered Accountants
January 28, 2013
Halifax, Canada

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30 2012	September 30 2011 (Note 13)	October 1 2010 (Note 13)
ASSETS			
Current assets:			
Cash	**$ 24,727,903**	$ 1,596,623	$ 668,320
Short-term deposits	**-**	277,617	275,550
Input tax recoverable	**595,189**	454,015	19,895
Prepaid expenses	**28,870**	30,539	15,663
Deposits	**-**	11,264	11,264
	25,351,962	2,370,058	990,692
Non-current assets:			
Property, plant and equipment (Note 7)	**146,453**	504,558	7,437
Exploration and evaluation assets (Note 8)	**70,541,902**	14,567,703	233,585
Total non-current assets	**70,688,355**	15,072,261	241,022
Total assets	**$ 96,040,317**	$ 17,442,319	$ 1,231,714
LIABILITIES			
Current liabilities:			
Trade and other payables	**$ 856,531**	$ 258,623	$ 45,486
Other liability	**-**	-	50,000
	856,531	258,623	95,486
EQUITY			
Share capital (Note 9)	**89,703,697**	18,625,437	1,328,287
Contributed surplus	**9,759,488**	497,038	166,430
Accumulated other comprehensive loss	**(188,773)**	(252,852)	-
Deficit	**(4,090,626)**	(1,685,927)	(358,489)
Total equity	**95,183,786**	17,183,696	1,136,228
Total liabilities and equity	**$ 96,040,317**	$ 17,442,319	$ 1,231,714

Signed on behalf of the Board: *"Signed"* *George F. Waye* *"Signed"* *Terry Coughlan*

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

Years ended	**September 30 2012**	September 30 2011 (Note 13)
Expenses:		
General and administrative	**$ 1,601,126**	$ 1,089,865
Regulatory	**102,246**	30,285
Marketing and public relations	**701,327**	207,288
	2,404,699	1,327,438
Net loss for the year	**$ (2,404,699)**	$ (1,327,438)
Other comprehensive income (loss):		
Foreign currency translation differences arising on translation of foreign subsidiaries	**64,079**	(252,852)
Total comprehensive loss for the year	**$ (2,340,620)**	$ (1,580,290)
Loss per share basic and fully diluted (Note 9)	**$ (0.03)**	$ (0.04)
Weighted average number of common shares outstanding	**72,066,253**	43,438,446

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended	**September 30 2012**	September 30 2011
Cash provided by (used in) the following activities:		
Operating activities		
Net loss for the year	**$ (2,404,699)**	$ (1,327,438)
Items not involving cash		
Stock based compensation	**499,040**	474,739
Depreciation	**8,275**	4,647
Other income	**-**	(50,000)
Net change in non-cash working capital	**469,667**	(385,487)
Net cash used in operating activities	**(1,427,717)**	(1,283,539)
Investing activities		
Resource property expenditures	**(8,233,504)**	(2,201,180)
Cash received (paid) on asset acquisition (Note 5)	**27,944,094**	(1,295,195)
Proceeds from (investment in) sale of short-term investments	**277,617**	(2,067)
Purchase of property, plant and equipment	**(68,880)**	(514,566)
Net cash provided by (used in) investing activities	**19,919,327**	(4,013,008)
Financing activities		
Issuance of common shares (net of share issuance costs)	**4,639,670**	6,224,850
Net cash provided by financing activities	**4,639,670**	6,224,850
Net increase in cash and cash equivalents	**23,131,280**	928,303
Cash and cash equivalents, beginning of year	**1,596,623**	668,320
Cash and cash equivalents, end of year	**$ 24,727,903**	$ 1,596,623

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive loss		Deficit		Total equity
Balance at October 1, 2010	16,916,665	$	1,328,287	$	166,430	$	-	$	(358,489)	$	1,136,228
Net loss	-		-		-		-		(1,327,438)		(1,327,438)
Other comprehensive loss	-		-		-		(252,852)		-		(252,852)
Shares issued for cash (net of issuance costs) (Note 9)	24,000,000		5,940,850		-		-		-		5,940,850
Stock-based compensation	-		-		482,908		-		-		482,908
Issuance of finder's options	-		(147,700)		147,700		-		-		-
Issuance of shares for San Diego Acquistion (Note 5)	14,000,000		10,920,000		-		-		-		10,920,000
Exercise of stock options	1,050,000		584,000		(300,000)		-		-		284,000
Balance at September 30, 2011	55,966,665	$	18,625,437	$	497,038	$	(252,852)	$	(1,685,927)	$	17,183,696
Balance at October 1, 2011	55,966,665	$	18,625,437	$	497,038	$	(252,852)	$	(1,685,927)	$	17,183,696
Net loss	-		-		-		-		(2,404,699)		(2,404,699)
Other comprehensive loss	-		-		-		64,079		-		64,079
Shares issued for cash (net of issuance costs) (Note 9)	3,600,000		4,294,670		-		-		-		4,294,670
Stock-based compensation	-		-		651,040		-		-		651,040
Issuance of finder's options	-		(129,034)		129,034		-		-		-
Issuance of shares for Parral Acquisition (Note 5)	67,230,000		66,374,900		-		-		-		66,374,900
Warrants issued for Parral Acquistion (Note 5)	-		-		8,675,100		-		-		8,675,100
Exercise of finders options	1,441,666		477,250		(174,750)		-		-		302,500
Exercise of stock options	50,000		60,474		(17,974)		-		-		42,500
Balance at September 30, 2012	128,288,331	$	89,703,697	$	9,759,488	$	(188,773)	$	(4,090,626)	$	95,183,786

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

GoGold Resources Inc. (the "Corporation" or the "Company") is a company domiciled in Canada. The address of the Corporation's registered office is #1301-2000 Barrington Street, Cogswell Tower, Halifax, Nova Scotia, B3J 3K1. The Company's common shares are listed on the Toronto Stock Exchange Venture Exchange trading under the symbol GGD. The consolidated financial statements of the Corporation comprise the Corporation and its subsidiaries. The principal business of the Corporation is the discovery, exploration and development of gold, silver, copper and molybdenum deposits primarily in Mexico and Canada.

The ability of the Corporation to continue as a going concern and the recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to complete exploration and development; and the future profitable production or proceeds from disposition of such properties. These consolidated financial statements do not give effect to the adjustments necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (''IASB'').

The Company's consolidated financial statements were previously prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") until September 30, 2011. These are the Company's first IFRS consolidated annual financial statements and as a result, they have also been prepared in accordance with IFRS 1, *First-time Adoption of International Financial Reporting Standards.* An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Corporation is provided in Note 13. This note includes reconciliations of equity and total comprehensive loss for comparative periods and of equity at the date of transition reported under previous Canadian GAAP to those reported for those periods at the date of transition under IFRS.

These financial statements were approved by the Board of Directors on January 24, 2013.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

Items included in the financial statements of each of the Corporation's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of GoGold Resources Inc.

c) Use of estimates and judgments

The preparation of the financial statements requires the Corporation's management to make 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.

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. The estimates and assumptions that

have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Asset acquisitions:
The Corporation also applies judgement in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established; whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves. The Corporation considers all exploration and evaluation assets acquired to date to be asset acquisitions.

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.

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. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and dividend yields based on information available at the time the fair value is measured.

Identification of functional currency
The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgment in determining the primary economic environment by reviewing sources of financings, expenses, and capital items.

Fair value of financial instruments, including embedded derivatives
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 use of discounted cash flow models. 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.

Taxation
The Corporation's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets are recognized on the statement of financial position. 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 statement of operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening IFRS consolidated statement of financial position at October 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

The exemptions the Corporation has taken in applying IFRS for the first time are set out in Note 13.

a) Basis of consolidation

The consolidated financial statements are presented in Canadian dollars and include the accounts of the Corporation and the following subsidiaries:

Company	Principal activity	Country of incorporation
Mexican Gold Holdings Corporation Incorporated	Holding company	Canada
North American Gold Holdings Corporation Incorporated	Holding company	Canada
Minera Dorango Dorado S.A. de C.V.	Gold and silver exploration	Mexico
Absolute Gold Holdings Incorporated	Holding company	Canada
AGHI Holdings Incorporated	Holding company	Canada
Grupo Coanzamex S.A. de C.V.	Gold and silver exploration	Mexico

All subsidiaries are 100% owned.

i) Business combinations

The Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

ii) Subsidiaries

Subsidiaries are all those entities over which the Corporation has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Corporation controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation and cease to be consolidated from the date on which control is transferred out of the Corporation. A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

iii) Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency

i) Foreign currency transactions

In preparing the financial statements of each individual corporate entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for: exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from cumulative translation account to profit or loss on repayment of the monetary items.

ii) Foreign operations

The results and financial position of all the Corporation's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- shareholders' equity and intercompany loans are translated at historical rates of exchange at the reporting date;
- assets and liabilities are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement presented are translated at monthly average exchange rates; and
- all resulting exchange differences are recognized within Accumulated Other Comprehensive Income ("AOCI") which is a separate component of equity.

On the loss of control of a foreign operation, all the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in AOCI.

c) Financial instruments

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

The Company's financial instruments are comprised of the following:

Financial assets:	Classification:
Cash	Fair value through profit or loss
Short-term deposits	Fair value through profit or loss

Financial liabilities:	Classification:
Trade and other payables	Other financial liabilities

(i) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the consolidated statement of operations when the loans and receivables are derecognized or impaired, as well as through the amortization process.

(iii) Available for sale investments

Financial assets classified as available for sale are measured at fair value, with changes in fair values recognized in other comprehensive income, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in other comprehensive income is recognized within the consolidated statement of operations.

(iv) Fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's financial assets measured at fair value, as at September 30, 2012 and September 30, 2011, which include cash and short-term deposits are classified as a Level 1 measurement.

(v) Impairment of financial assets:

Financial assets are assessed for indicators of impairment at each financial reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized

impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

d) Exploration and evaluation assets

Pre-exploration expenditures are expensed as incurred.

All direct costs related to the acquisition and exploration of resource property interests are capitalized by property. Exploration and evaluation assets include expenditures on acquisition of rights to explore, studies, exploratory drilling, trenching, sampling, and other direct costs related to exploration or evaluation of a project. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are initially measured at cost and classified as tangible assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash-generating unit level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the financial year in which this is determined. Exploration and evaluation assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions below is met:

- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Where a project is determined to be technically or commercially feasible and a decision has been made to proceed with development with respect to a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is reclassified as a development asset in property, plant and equipment.

e) Property, plant and equipment

Recognition and measurement
Land is stated at historical cost. All items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

The carrying amount of any replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation
Depreciation of furniture and equipment is calculated using the declining balance method to allocate their cost, net of their residual values, over their estimated useful lives at the rate of 30% per annum. Depreciation of drilling equipment is calculated using the units of production method based on meters drilled. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

Development assets

Development assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable, and development assets also includes subsequent costs to develop the mine to the production phase.

Depletion of development assets is calculated on the basis of units of production and commences when the mine starts commercial production. Depletion is based on assessments of measured and indicated resources and a proportion of mineral resources available to be mined by the current production equipment to the extent that such resources are considered to be economically recoverable.

f) Impairment of non-financial assets

The net carrying amounts of property and equipment are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. To the extent that the net carrying amounts exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

For mining properties, estimates of future cash flows are based on assumptions as to expected production levels, commodity prices, cash costs of production and capital expenditure. IAS 36 Impairment of Assets includes a number of restrictions on the future cash flows that can be recognized in respect of future restructurings and improvement related expenditure. When calculating value in use, it also requires that calculations should be based on exchange rates current at the time of assessment when applicable.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment charge is recognized in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognized. As a result, a reversal is recognized in profit or loss.

g) Flow-through shares

The Corporation has financed a portion of its exploration activities through the issue of flow-through shares. As permitted under the Income Tax Act (Canada), the tax attributes of eligible expenditures incurred with the proceeds of flow-through share issuances were renounced to subscribers. At the time of share issuance, the proceeds must be allocated between share capital and the obligation to deliver the tax deduction. The allocation is based on the difference between the quoted price of the Corporation's non-flow through shares and the amount the investor pays for the flow-through shares (given no other differences between the securities). The premium liability is reduced pro-rata based on the percentage of flow-through expenditures renounced in comparison to renunciations required under the terms of the Flow-through Share agreement. The reduction to the premium liability in the period of renunciation is recognized through profit or loss as other income.

Where the Company has unused tax benefits on loss carry forwards and tax pools in excess of book value available for deduction against which a valuation allowance has been provided, the Company recognizes a deferred tax asset to offset the increase in deferred tax liabilities resulting in an offsetting recovery of deferred income taxes being recognized through profit or loss in the reporting period.

h) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets and deferred income tax liabilities of the same taxable entity are offset when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities. The principal temporary differences arise from amortization and depreciation on property, plant and equipment, tax losses carried forward and fair value adjustments on assets acquired in business combinations.

i) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments on the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Corporation's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

j) Earnings per share

The Corporation presents basic and diluted earnings per share date for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares. All share options are currently anti-dilutive. As a result basic and diluted earnings per share are the same.

k) Government assistance

Government grants are recognized at their fair value in the period when there is reasonable assurance that the conditions attaching to the grant will be met and that the grant will be received. Grants are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate. Grants relating to expenditures on property, plant and equipment and on exploration and evaluation assets are deducted from the carrying amount of the asset. The grant is therefore recognized as income over the life of the depreciable asset by way of a reduced depreciation charge or a reduced depletion expense.

(l) Reclamation liabilities

Provisions for environmental restoration are recognized when: (i) the Company has a present legal or constructive obligation as a result of past exploration, development or production events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) and the amount has been reliably estimated. Provisions do not include any additional obligations which are expected to arise from future disturbance. Costs are estimated on the basis of a formal report and are subject to regular review.

4. FUTURE CHANGES IN ACCOUNTING POLICIES

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 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, 2015, 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 on or after 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 on or after 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 on or after 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 on or after 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.

5. ACQUISITIONS

a) Acquisition of Mexican Gold Holdings Incorporated

On April 13, 2011, the Corporation acquired all of the issued and outstanding securities 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 Dorango 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 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 for all MDD Claims for the first three years of US$900,000 and a total work commitment for years four through eight 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.

In accounting for the MHC Transaction, MHC was not considered a business for accounting purposes and therefore the transaction was considered to be an asset acquisition.

The Corporation issued 14,000,000 common shares to the shareholders of MHC and paid cash consideration of $1,100,000. 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"). The cash payment has been included in the acquisition cost of the project.

As part of the MHC Transaction, the Corporation advanced MHC a total of $195,195 prior to the closing of the transaction. The advance was non-interest bearing and was payable on demand. The Corporation also expended a total of $241,108 during the year ended September 30, 2011 for the purposes of evaluating the MHC Transaction, the MDD Claims and the MDD Agreements. These expenditures have been classified as part of the acquisition cost of the 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 these additional claims totalled $23,995 and have been included in the acquisition cost of the San Diego Project.

The following table summarizes the acquisition costs and recorded property acquisition cost for the San Diego Project:

	Acquisition Cost ($)
Cash paid on closing	1,100,000
Cash advance made prior to closing	195,195
Total cash paid on asset acquisition	1,295,195
Project working capital	(120,397)
Costs incurred prior to closing	241,108
Payments for additional claims	23,995
Share issuance	10,920,000
Resource property acquisition cost recorded	12,359,901

On August 16, 2012, GoGold announced that MDD entered into an option agreement to acquire a 100% interest in a 2,000 hectare portion of the San Diego Project known as Mina La Blanca. Under the terms of the option agreement, the exercise of the option requires: (a) an initial payment of US$350,000, (b) four additional payments of US$100,000 on November 1, 2012, February 1, 2013, May 1, 2013, and August 1, 2013, and (c) a net smelter royalty of 1% if gold price per ounce is less than $1,000, 1.5% if gold price per ounce is between $1,000 and $1,500 or 2.0% if gold price per ounce is greater than $1,500 at the time of exercise. GoGold also acquired a 100% interest in two additional gold and silver mining concessions from Mexican prospectors for US$90,000.

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

	Fiscal year 2013	2014	2015	2016	2017	2018	2019
Work commitments	250,000	150,000	150,000	150,000	150,000	150,000	-
Property payments	400,000	-	-	-	-	-	-
Minimum advance royalty	170,000	178,000	178,000	178,000	178,000	178,000	8,000
Total	$ 820,000	$ 328,000	$ 328,000	$ 328,000	$ 328,000	$ 328,000	$ 8,000

b) Acquisition of Absolute Gold Holdings Incorporated

On July 27, 2012, the Corporation completed the acquisition of Absolute Gold Holdings Incorporated (“Absolute” or “Parral”). GoGold has 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”). The transaction has been accounted for as an asset acquisition and therefor the value of the GoGold Shares and GoGold Warrants issued in the transaction have been valued based on the fair value of the assets acquired, plus directly related transaction costs.

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 have been exchanged for 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 a 100% interest in the Parral Tailings Project (the “Property” or the “Project”) located in Chihuahua, Mexico, through Absolute’s wholly-owned subsidiary Grupo Coanzamex S.A. De C.V. (“Coanzamex”). Coanzamex is now a wholly-owned subsidiary of the Corporation.

The Property hosts tailings from the historical Mina La Prieta silver and base metal mine. The Town of Hidalgo Del Parral (the “Town”) purchased the land and the rights to the tailings in 2008 from a private mining company. This purchase agreement gave the Town full entitlement to the tailings including any retreatment for metal recovery.

On October 17, 2011, Absolute Gold through its subsidiary Coanzamex signed an option agreement ("Option Agreement") with the Town to mine and process the tailings material for precious metal recovery. The Town is entitled to a 12% net profits interest ("NPI") after the deduction of costs and capital depreciation as well as a $30,000 USD per month property payment to the municipality. There are no other royalties due or payable on the Project.

The following table summarizes the acquisition costs and recorded property acquisition cost for the Parral Tailings Project:

	Acquisition Cost ($)
Cash aquired during transaction	(27,944,094)
Share issuance	66,374,900
Warrants issued	8,675,100
Costs incurred to complete transaction	1,208,705
Resource property acquisition cost recorded	48,314,611

6. CAPITAL MANAGEMENT

The Corporation's capital consists of shareholders’ equity of $95,183,786 (September 30, 2011 - $17,183,696). The Corporation's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. 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.

During the year, the Corporation’s capital has changed, primarily as a result of the acquisition of Absolute Gold Holdings Incorporated, which included the Parral Tailings Project and $27,944,094 in cash. There were no changes to the Corporation's approach to capital management during the year. The Corporation is not subject to externally imposed capital requirements.

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Furniture and Equipment	Drilling Equipment	Total
At October 1, 2010	$ 7,437	$ -	$ 7,437
Additions	101,028	489,000	590,028
At September 30, 2011	108,465	489,000	597,465
Additions	68,880	-	68,880
At September 30, 2012	$ 177,345	$ 489,000	$ 666,345
Accumulated amortization			
At October 1, 2010	$ -	$ -	$ -
Amortization	11,108	81,799	92,907
At September 30, 2011	11,108	81,799	92,907
Amortization	19,784	407,201	426,985
At September 30, 2012	$ 30,892	$ 489,000	$ 519,892
Carrrying value			
At October 1, 2010	$ 7,437	$ -	$ 7,437
At September 30, 2011	$ 97,357	$ 407,201	$ 504,558
At September 30, 2012	$ 146,453	$ -	$ 146,453

8. EXPLORATION AND EVALUATION ASSETS

On July 30, 2012, the Company acquired all of the issued and outstanding securities of Absolute, a Canadian company including subsidiaries which together own the Parral Tailings Project in Chihuahua, Mexico.

On April 13, 2011, the Company acquired all of the issued and outstanding securities of MHC, a Canadian company (the “MHC Transaction”). MHC and MHC’s wholly owned Canadian subsidiary, NAHC, together own 100% of MDD. MDD is a party to agreements to earn a 100% interest in five (5) gold and silver properties consisting of a number of Mexican mining concession titles (the “San Diego project”) in Durango, Mexico.

	Exploration and Evaluation			
	Rambler	San Diego	Parral	Total
Cost				
At October 1, 2010	$ 233,585	$ -	$ -	$ 233,585
Additions	403,990	1,570,227	-	1,974,217
Acquisition of MDD (Note 5)	-	12,359,901	-	12,359,901
At September 30, 2011	637,575	13,930,128	-	14,567,703
Additions	77,273	7,058,609	439,374	7,575,256
Acquisition of Parral (Note 5)	-	-	48,314,611	48,314,611
FX adjustments	-	77,817	6,515	84,332
At September 30, 2012	$ 714,848	$ 21,066,554	$ 48,760,500	$ 70,541,902
Carrrying value				
At October 1, 2010	$ 233,585	$ -	$ -	$ 233,585
At September 30, 2011	$ 637,575	$ 13,930,128	$ -	$ 14,567,703
At September 30, 2012	$ 714,848	$ 21,066,554	$ 48,760,500	$ 70,541,902

Included in Exploration and Evaluation additions are $152,000 (2011 – $108,398) related to the fair value of share based payments. The acquisitions of MDD and Parral are discussed in detail, along with all financial commitments, in Note 5.

9. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares, without nominal or par value.

(b) Issued

The following table summarizes the changes in issued common shares of the Corporation:

	Number	Amount ($)
Balance September 30, 2011	55,966,665	18,625,437
Shares issued for cash net of issuance costs	3,600,000	4,294,670
Shares issued on exercise of incentive and finder's options	1,491,666	537,724
Shares issued on Absolute acquisition	67,230,000	66,374,900
Issuance of finder's options	-	(129,034)
Balance September 30, 2012	128,288,331	89,703,697

The comparable figures for the year ended September 30, 2011 including adjustments for IFRS are detailed below:

	Number	Amount ($)
Balance September 30, 2010	16,916,665	1,328,287
Shares issued for cash net of issuance cost	24,000,000	5,940,850
Shares issued on exercise of incentive and finder's options	1,050,000	584,000
Issuance of finder's options	-	(147,700)
Issuance of shares for San Diego acquisition	14,000,000	10,920,000
Balance September 30, 2011	55,966,665	18,625,437

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 financing, the Corporation paid $54,830 in share issue costs and paid a finder's fee in the form of options to purchase 170,000 common shares of the Corporation at $1.25 per common share and a cash payment equal to $150,500. The finder's options will expire December 23, 2014. The fair value of the options (see Note 9(f)) was determined to be $129,034 using the Black-Scholes formula and the amount was recorded in share issue costs and contributed surplus.

On December 10, 2010, the Corporation announced that it had 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. In connection with the financing a finder's fee in the form of an option to purchase 1,000,000 common shares of the Corporation at $0.25 per common share for two years from the date of closing was paid. The fair value of the options was determined to be $147,700 using the Black-Scholes formula and the amount was recorded in share issue costs and contributed surplus.

(c) Escrowed shares

Under the requirements of the TSX Venture Exchange ("TSXV"), as of September 30, 2012, 44,917,750 Common Shares were held in escrow by Computershare Investor Services Inc. as escrow agent pursuant to three separate escrow agreements. Under the terms of the three applicable escrow agreements: (i) one agreement dated July 27, 2012 held 5,020,750 Common Shares and 1,342,500 Options. Pursuant to this agreement, 25% of the escrowed Common Shares and options were released upon the issuance of the Final TSXV Bulletin relating to the Absolute Acquisition on August 1, 2012, and an additional 25% will be released on each of the six month anniversaries of the date of the Final TSXV Bulletin; (ii) the second escrow agreement also dated July 27, 2012 held 38,637,000 Common Shares. Pursuant to this agreement, 10% of the escrowed Common Shares were released from escrow upon the issuance of the Final TSXV Bulletin relating to the Absolute Acquisition on August 1, 2012, and an additional 15% are to be released on each of the six month anniversaries of the date of completion on the Absolute Acquisition; (iii) the remaining 1,260,000 Common Shares are held in escrow pursuant to an escrow agreement dated January 4, 2010 entered into in connection with GoGold's Initial Public Offering, pursuant to which 10% of the escrowed Common Shares were released from escrow upon the issuance of the Final TSXV Bulletin relating to the Qualifying Transaction on July 29, 2010, and an additional 15% are to be released on each of January 29, 2013 and July 29, 2013.

The comparable number of escrowed Common Shares at September 30, 2011 was 6,000,000.

(d) Finder's stock options

The changes in finder's options during the year ended September 30, 2012 and year ended September 30, 2011 were as follows:

	September 30, 2012			September 30, 2011		
	Number of finders options	Weighted average exercise price	Remaining contractual life (years)	Number of finders options	Weighted average exercise price	Remaining contractual life (years)
Opening balance	1,441,666	$ 0.21	1.56	441,666	$ 0.12	1.30
Granted	170,000	1.25	2.19	1,000,000	0.25	1.67
Exercised	(1,441,666)	0.21		-	-	
Closing balance	170,000	1.25	2.19	1,441,666	0.21	1.56
Exercisable	170,000	1.25	2.19	1,441,666	0.21	1.56

The charge for the finder's options was determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Options granted December 10, 2010	Options granted December 23, 2011
Risk-free rate	1.68%	0.99%
Expected volatility of the Corporation's share price	100%	97%
Expected dividend yield	0.00%	0.00%
Expected life of each option (years)	2.0	3.0
Fair value per option ($)	0.148	0.759

The expected volatility was determined based on the historical share price volatility from the date of the grant over a period of time equal to the expected life of the option, unless the expected life assumption is greater than the trading history for the shares, in which case the entire trading history for the shares through the date of the grant was used as a basis for estimating expected volatility.

(e) Incentive stock options

The Corporation has a rolling 10% incentive stock option plan (the "Plan") under which options to purchase common shares of the Corporation may be granted to directors, officers, employees and consultants of the Corporation. Under the Plan, the terms and conditions of each grant of options are determined by the Board of Directors. If there are no terms specified upon grant, options vest immediately on the grant date. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSXV at the time of the grant.

The number of common shares subject to options granted under the Plan is limited to 10% of the issued and outstanding common shares of the Corporation and no one person may receive in excess of 5% of the outstanding common shares of the Corporation at the time of grant (on a non-diluted basis).

The changes in stock options during the year ended September 30, 2012 and year ended September 30, 2011 were as follows:

	September 30, 2012		September 30, 2011	
	Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance	2,365,000	$ 0.45	1,600,000	$ 0.12
Granted	800,000	1.55	1,815,000	0.63
Exercised	50,000	0.85	1,050,000	0.25
Closing balance	3,115,000	0.73	2,365,000	0.45
Exercisable	2,010,000	$ 0.42	2,365,000	$ 0.45

The following table summarizes information concerning outstanding and exercisable finder's and incentive stock options at September 30, 2012:

	Outstanding		Exercisable	
Expiry date	Number of incentive options	Exercise price	Number of incentive options	Exercise price
November 12, 2012	50,000	$ 0.85	50,000	$ 0.85
February 12, 2015	1,200,000	0.10	1,200,000	0.10
July 26, 2015	150,000	0.30	150,000	0.30
February 15, 2016	80,000	0.80	80,000	0.80
July 8, 2016	835,000	0.90	417,500	0.90
February 7, 2015	325,000	1.53	162,500	1.53
December 23, 2014	170,000	1.25	170,000	1.25
August 20, 2017	325,000	1.54	-	-
September 17, 2017	150,000	1.60	-	-
	3,285,000	0.75	2,230,000	$ 0.50

The compensation charge for the outstanding incentive stock options granted during the period was determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Options granted February 7, 2012	Options granted August 20, 2012	Options granted September 17, 2012
Risk-free rate	1.07%	1.49%	1.46%
Expected volatility of the Corporation's share price	89.1%	90.0%	90.0%
Expected dividend yield	0.00%	0.00%	0.00%
Expected life of each option	3.0 years	5.0 years	5.0 years
Market price at time of valuation	$1.53	$1.54	$1.60
Fair value per option	$0.867	$1.074	$1.073

	Options Granted			
Risk-free rate	December 21, 2010	February 15, 2011	May 2, 2011	July 8, 2011
Expected volatility of the Corporation's share price	1.68%	2.51%	1.68%	2.24%
Expected dividend yield	100%	100%	100%	100%
Expected life of each option	0.00%	0.00%	0.00%	0.00%
Market price at time of valuation	2.00	5.00	1.50	5.00
Fair value per option	$ 0.16	$ 0.59	$ 0.40	$ 1.11

The expected volatility was determined based on the historical share price volatility as of the date the options were granted.

(f) Warrants

As described in Note 5(b), the Corporation issued 12,150,000 warrants in connection with the Absolute Transaction. Each warrant is exercisable into one GoGold share at an exercise price of $1.50 until January 24, 2015.

The charge recorded in contributed surplus for the warrants was determined based on the fair value of the warrants at the date of issue using the Black-Scholes option pricing model with the following assumptions:

	Warrants issued July 27, 2012
Risk-free rate	1.29%
Expected volatility of the Corporation's share price	89.0%
Expected dividend yield	0.00%
Expected life of each option	2.5
Fair value per option	$0.714

The expected volatility was determined based on the historical share price volatility as of the date the options were granted.

(g) Earnings per share

Basic earnings per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share is based on the assumption that stock options and finder's options have been exercised on the later of the beginning of the period and the date granted. As of September 30, 2012, 3,285,000 options (2011 – 3,806,666) and 12,150,000 (2011 – Nil) warrants were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

10. INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and (liabilities) are presented below:

	2012	2011
Resource properties	$ (224,870)	$ (137,443)
Capital assets	(1,916)	(1,647)
Non-capital loss carryforwards	226,786	139,090
	$ -	$ -

Temporary differences

The following deductible temporary differences and non-capital losses have not been recognized in the consolidated financial statements.

	2012	2011
Non-capital losses	$ 3,100,792	$ 786,841
Deferred expenses	2,124,725	300,526
Capital assets	-	16,867
Resource properties	56,423	-
	$ 5,281,940	$ 1,104,234

The non-capital losses noted above expire from 2028 to 2032.

The aggregate temporary difference associated with investments in subsidiaries for which no deferred tax liabilities have been recorded is $29.8 million. It is not expected that the aggregate temporary difference will reverse in the foreseeable future.

The overall effective rate for 2012 is reflective of the decrease in the federal tax rate in 2012 as compared to 2011. Income taxes vary from the amount that would be computed by applying the basic Federal and Provincial tax rate of 31.37% (2011 – 32.87%) to loss before taxes as follows:

	2012	2011
Loss before taxes	$ (2,404,699)	$ (1,327,438)
Computed expected recovery	(754,354)	(436,329)
Permanent difference	164,356	102,070
Rate differences	15,188	13,820
Current year loss for which no asset recognized	808,091	299,262
Change in unrecognized termporary differences	486,594	(76,940)
Tax effect of renunciation of resource expenditures	-	175,000
Expenses recorded directly in equity	(719,875)	(76,883)
	$ -	$ -

11. RELATED PARTY TRANSACTIONS

During the year ended September 30, 2011, an officer provided legal services to the Corporation at a cost of $62,920 prior to resigning on February 15, 2011.

Included in general and administrative expense during the year ended September 30, 2012 are insurance premiums amounting to $52,985 (2011 - $27,870) paid to a Corporation 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.

Compensation to directors and officers of the Corporation:

	Year ended September 30, 2012	Year ended September 30, 2011
Directors' fees	$ 37,500	$ 12,500
Share-based payments to directors	24,800	12,891
Key management short-term benefits	429,683	267,000
Share-based payments to key management	127,458	40,286

12. SEGMENTED INFORMATION

The Company's reportable segments are consistent with the Company's geographic regions in which the Company operates. In determining the Company's segment structure, the Company considered the basis on which management reviews the financial and operational performance and whether any of the Company's mining operations share similar economic, operational and regulatory characteristics. The Company aggregates both the San Diego and Parral exploration projects as the Mexico segment and the Company's Canadian property and corporate offices as the Canadian segment.

The following tables present information about reportable segments:

For the year ended September 30, 2012:	Mexico	Canada	Total
Depreciation	$ -	$ 8,275	$ 8,275
Segment net income (loss)	-	(2,404,699)	(2,404,699)
Expenditures on non-current assets	55,812,594	77,273	55,889,867
For the year ended September 30, 2011:			
Depreciation	$ -	$ 4,647	$ 4,647
Segment net income (loss)	-	(1,327,438)	(1,327,438)
Expenditures on non-current assets	13,930,128	403,990	14,334,118
Reportable segment assets (September 30, 2012)	$ 70,398,889	$ 25,641,428	$ 96,040,317
Reportable segment liabilities (September 30, 2012)	557,373	299,158	856,531
Reportable segment assets (September 30, 2011)	14,820,430	2,621,889	17,442,319
Reportable segment liabilities (September 30, 2011)	68,245	190,378	258,623

13. TRANSITION TO IFRS

In preparing its IFRS statement of financial position as at September 30, 2012, and its statements of income and comprehensive income for the year ended September 30, 2012, the Corporation has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. An explanation of how the transition from Canadian GAAP to IFRS has affected the Corporation's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

In preparing its IFRS statement of comprehensive income for the year ended September 30, 2011, the Corporation made various reclassifications to present expenses by function rather than by nature as presented under Canadian GAAP.

The transition from Canadian GAAP to IFRS has had no effect upon the reported cash flows generated by the Corporation. The reconciling items between the Canadian GAAP presentation and the IFRS presentation have no net impact on the cash flows generated.

First-time adoption of International Financial reporting Standards ("IFRS") sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards applied are retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Corporation has applied the following exemptions to its opening statement of financial position dated October 1, 2010.

- Business combination election – The election allows the Corporation to adopt IFRS 3 prospectively from the date of transition.
- Arrangements containing a lease - The election allows the Corporation to determine whether an arrangement existing at the date of transition to IFRS contains a lease on the basis of facts and circumstances existing at that date rather than at the inception of the arrangement
- Reassessment of lease determination – If the Corporation made the same determination of whether an arrangement contains a lease under Canadian GAAP (EIC-150) as that required by IFRIC 4 but at a date other than that required by IFRIC 4, the election allows the Corporation to not reassess that determination for such arrangements when it adopts IFRS.

Reconciliation of equity as reported under Canadian GAAP and IFRS
September 30, 2011

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash		$ 1,596,623		$ 1,596,623
Short-term deposits		277,617		277,617
Tax recoverable	d	479,040	(25,025)	454,015
Prepaid expenses		30,539		30,539
Deposits		11,264		11,264
		2,395,083	(25,025)	2,370,058
Non-current assets:				
Property, plant and equipment	d	510,895	(6,337)	504,558
Exploration and evaluation assets	a,d,e	19,533,027	(4,965,324)	14,567,703
Total non-current assets		20,043,922	(4,971,661)	15,072,261
Total assets		$ 22,439,005	$ (4,996,686)	$ 17,442,319
LIABILITIES				
Current liabilities:				
Trade and other payables		$ 258,623	$ -	$ 258,623
Future income tax liability	e	4,406,086	(4,406,086)	-
EQUITY				
Share capital	a,b	18,327,317	298,120	18,625,437
Contributed surplus	a	578,267	(81,229)	497,038
Accumulated other comprehensive loss	d	-	(252,852)	(252,852)
Deficit	a,b,d,e	(1,131,288)	(554,639)	(1,685,927)
Total equity		17,774,296	(590,600)	17,183,696
Total liabilities and equity		$ 22,439,005	$ (4,996,686)	$ 17,442,319

Reconciliation of equity as reported under Canadian GAAP and IFRS
October 1, 2010

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets:				
Cash		$ 668,320	$ -	$ 668,320
Short-term deposits		275,550	-	275,550
Tax recoverable		19,895	-	19,895
Prepaid expenses		15,663	-	15,663
Deposits		11,264	-	11,264
		990,692	-	990,692
Non-current assets:				
Property, plant and equipment		7,437	-	7,437
Exploration and evaluation assets		233,585	-	233,585
Total non-current assets		241,022	-	241,022
Total assets		$ 1,231,714	$ -	$ 1,231,714
LIABILITIES				
Current liabilities:				
Trade and other payables	b	$ 45,486	$ 50,000	$ 95,486
EQUITY				
Share capital	b	1,378,287	(50,000)	1,328,287
Contributed surplus		166,430	-	166,430
Deficit		(358,489)	-	(358,489)
Total equity		1,186,228	(50,000)	1,136,228
Total liabilities and equity		$ 1,231,714	$ -	$ 1,231,714

Reconciliation of loss and comprehensive loss
For the year months ended September 30, 2011

	Note	Canadian GAAP	Effect of transition to IFRS	Effect of Note 11 c)	IFRS
Expenses					
General and administrative	a,d	$ 476,214	$ (105,604)	$ 719,255	$ 1,089,865
Stock based compensation	a	301,619	173,120	(474,739)	-
Professional fees		237,285	-	(237,285)	-
Marketing and public relations		207,288	-	-	207,288
Regulatory		30,285	-	-	30,285
Insurance		27,870	-	(27,870)	-
Depreciation		4,647	-	(4,647)	-
Foreign exchange (gain) loss	e	(337,409)	362,123	(24,714)	-
Other income	b	-	(50,000)	50,000	-
		947,799	379,639	-	1,327,438
Net loss before income tax recovery		(947,799)	(379,639)	-	(1,327,438)
Income tax recovery	b	175,000	(175,000)	-	-
Net loss		(772,799)	(554,639)	-	(1,327,438)
Other comprehensive loss:					
Foreign currency translation difference arising on translation of foreign subsidiaries	d	-	(252,852)	-	(252,852)
Total comprehensive loss		$ (772,799)	$ (807,491)	$ -	$ (1,580,290)
Loss per share basic and fully diluted		$ (0.02)			$ (0.04)
Weighted average number of common shares outstanding		43,438,446			43,438,446

Details of the material adjustments to the statements of financial position, loss and comprehensive loss:

(a) Share based payments

Under IFRS, where incentive stock options are granted to a person considered a consultant and not an employee, the fair value of the options must be determined by management as the value of services expected to be received. All options issued prior to May 2, 2011 vested immediately and do not result in any measurement differences on adoption of IFRS. After reviewing all grantees that were consultants under Canadian GAAP whom were granted options by the Corporation to date, one grantee was determined to be a consultant under IFRS rather than an employee. The fair value of services expected to be received were valued and the difference from the Black-Scholes calculation is summarized below:

Fair value calculation using Black-Scholes	$	126,880
Fair value estimate by management		300,000
Difference	$	173,120

The subject options were granted on December 21, 2010 and exercised in full in February of 2011 and the impact arising from the change in fair value is summarized as follows:

Consolidated Statement of Financial Position		
Share capital	$	173,120
Deficit		(173,120)
Consolidated Statement of Comprehensive Loss		
General and administrative		173,120

Furthermore, under IFRS, options are accounted for using graded vesting with forfeitures estimated on the grant date and trued up to actual periodically. Under Canadian GAAP, the Corporation accounted for options using cliff vesting and only accounted for forfeitures as they occurred. Furthermore, under IFRS, the requirements related to transactions with employees are also applied to transactions with individuals who provide services similar to services provided by an employee, which includes non-executive directors. Under Canadian GAAP, the requirements related to transactions with employees apply only when an individual is consistently represented to be an employee under the law.

The impact arising from the change in vesting of options is summarized as follows:

Consolidated Statement of Financial Position		
Exploration and evaluation assets	$	(49,898)
Contributed surplus		(81,229)
Deficit		31,331
General and Administrative		(31,331)

(b) Flow through shares

In accordance with IFRS interpretations, the premium received on flow through shares represents the value of the liability relating to the transfer of income tax credits foregone and owing to investors upon renunciation. The liability has been reclassified from equity to other liabilities and recycled into income as the associated exploration expenditures are incurred. Under Canadian GAAP, renunciations related to flow-through shares results in an increase in deferred taxes payable and a decrease in equity. Under IFRS, the related liability has been charged through profit or loss in the period of renunciation.

The impact arising from the change is summarized as follows:

	October 1 2010	September 30 2011
Consolidated Statement of Financial Position		
Other liability	$ 50,000	$ -
Share capital	(50,000)	125,000
Deficit		(125,000)
Other income		50,000
Deferred tax recovery		(175,000)

(c) Expense categorization

Under Canadian GAAP, expenses are recognized in both function and nature whereas under IFRS, one or the other should be used. The Corporation has determined to categorize expenses by function. The impact arising from the change is summarized in the reconciliations of loss and comprehensive loss.

(d) Functional currency and foreign operations

The IFRS adjustments related to functional currency arose as a result of the acquisition of Mexican Gold Holdings Incorporated ("MDD") (refer to Note 5(a)) in April 2011. Under Canadian GAAP, MDD was considered an integrated foreign operation and was translated using the temporal method. IFRS requires that the functional currency of each entity in the consolidated Corporation be determined separately in accordance with IAS 21 and should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency") and such entities are translated using the current rate method, with resulting exchange differences recognized as a separate component of equity.

The impact arising from the change is summarized as follows:

	September 30 2011
Consolidated Statement of Financial Position	
Property, plant and equipment	$ (6,337)
Input taxes recoverable	(25,025)
Exploration and evaluation assets	(147,217)
Accumulated other comprehensive loss	(252,852)
Deficit	74,273
Consolidated Statement of Comprehensive Loss	
General and administrative expense	(74,273)

(e) Deferred taxes

IAS 12 states that a deferred tax asset/liability is not recognized when an asset or liability is acquired in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Thus, deferred taxes are not recognized on initial recognition or subsequently. The temporary difference is just exempt from recognition. Furthermore, subsequent changes in the unrecognized deferred tax asset or liability are not recognized as the asset is depreciated. This requires tracking that part of the temporary difference that is a permanent difference. This differs from Canadian GAAP which requires the recognition of a deferred tax asset/liability and stipulates the methodology by which to calculate the resulting deferred tax asset or liability (commonly referred to as the simultaneous equation). The offset to the recognition of this deferred tax asset/liability was the underlying asset or liability that was purchased.

The impact arising from the change is summarized as follows:

	September 30, 2011
Consolidated Statement of Financial Position	
Property, plant and equipment	$ (4,768,209)
Deferred income tax liability	(4,406,086)
Foreign exchange loss	362,123
Consolidated Statement of Comprehensive Loss	
Deficit	(362,123)

14. Financial Instruments

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

Credit Risk
The Corporation's credit risk is primarily attributable to cash, short-term deposits, and input tax recoverable. The Corporation has no significant concentration of credit risk arising from operations. Cash consists of funds on deposit in a high interest savings account with a Canadian Schedule I bank and short-term deposits consist of high Canadian Schedule I bank guaranteed notes, with terms up to one year but are cashable in whole or in part with interest at any time to maturity. Input tax recoverable consists of harmonized sales tax due from the Federal Government of Canada and value added tax from the Federal Government of Mexico. Management believes that the risk of loss with respect to financial instruments included in cash, short-term deposits and input tax recoverable to be remote.

Liquidity Risk
The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2012, the Corporation had cash and short term deposits balances of $24.7 million (September 30, 2011 - $1.8 million; October 1, 2010 - $0.9 million) for settling current liabilities of $0.9 million (September 30, 2011 - $0.3 million; October 1, 2010 - $0.1 million). The short-term deposits are in various guaranteed investment securities with maturities of less than a year but cashable in whole or in part with interest at any time to maturity. All of the Corporation's current financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

Market Risk
(a) Interest Rate Risk
The Corporation has cash balances and no interest-bearing debt. The Corporation's current policy is to invest excess cash in Canadian bank high interest savings accounts or guaranteed notes (short-term deposits). The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The short-term deposits can be cashed in at any time and can be reinvested if interest rates rise.

(b) Foreign Currency Risk
The Corporation's functional currency is the Canadian dollar and major purchases are transacted in Canadian, US dollars, and Mexican Pesos. The Corporation funds certain operations, exploration and administrative expenses in Mexico on a cash call basis using US dollar and Mexican Peso currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant to its operations and therefore does not hedge its foreign exchange risk.

Sensitivity Analysis
The Corporation has designated its cash and short term deposits as fair value through profit or loss, which are measured at fair value. Financial instruments included in input tax recoverable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at September 30, 2012, September 30, 2011 and October 1, 2010, the fair value of the Corporation's financial instruments approximates their carrying values. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a year:
i) Cash is held in high interest bank accounts. Sensitivity to a plus or minus 0.25% change in rates would affect income by approximately $60,000 on an annualized basis.

(ii) At September 30, 2012, the Corporation had net current liabilities in US dollars and Mexican Pesos of approximately $122,000 (September 30, 2011 – net assets of $339,000), for which a 10% appreciation in US and Mexican Peso exchange rates, would affect net loss by approximately $12,000.
(iii) Price risk is remote since the Corporation is not a producing entity.