GoGold Resources Inc

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2013

Date and Background

This discussion and analysis of financial position and results of operations is prepared as at February 13, 2014 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three month period ended December 31, 2013 for GoGold Resources Inc. (the "Corporation" or "GoGold"). Those financial statements have been prepared, in Canadian dollars (except as otherwise disclosed), in accordance with International Financial Reporting Standards ("IFRS"). Additional information relevant to the Corporation'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 Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include the intention to complete an acquisition or disposition or financing transaction and the Corporation's plans for its mineral projects. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Corporation to obtain necessary financing, satisfy conditions under any acquisition agreement, or satisfy the requirements of the Toronto Stock Exchange ("TSX") with respect to an acquisition; consumer interest in the Corporation's services and products; competition; and anticipated and unanticipated costs. The forward-looking statements contained in this document are made as of the date of this document and the Corporation does not undertake to update publicly or revise the forward-looking information contained in this document, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. These forward-looking statements should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this document. Although the Corporation has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements include exploration and development risks, the failure to establish estimated mineral resources or mineral reserves, volatility of commodity prices, variations of recovery rates and global economic conditions. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation. Additional factors are noted under "Risk Factors" in the Corporation's Annual Information Form for the year ended September 30, 2013, a copy of which may be obtained on the SEDAR website at www.sedar.com, as well as other continuous disclosure materials filed from time to time with Canadian securities regulatory authorities.

Any financial outlook or future-oriented financial information in this document, as defined by applicable securities legislation, has been approved by management of the Corporation as of the date of this document. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such outlook or information should not be used for purposes other than for which it is disclosed in this document.

Mr. Terence F. Coughlan, P.Geo, President and Chief Executive Officer of the Corporation, who is a qualified person as defined by National Instrument 43-101, *Standard of Disclosure for Mineral Projects*, is responsible for, and has reviewed and approved, the scientific and technical information contained in this document.

Overall Performance and Corporation Overview

The Corporation 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 2000 Barrington Street, Suite 1301, Cogswell Tower, Halifax, Nova Scotia, B3J 3K1. On January 22, 2010, the Corporation received final receipts for a prospectus dated January 20, 2010 and became a reporting issuer in the Provinces of British Columbia, Alberta, Nova Scotia and Ontario. The Corporation completed its initial public offering (the "Offering") to raise gross proceeds of $500,000 on February 8, 2010 and had its common shares listed for trading on the TSX Venture Exchange ("TSXV") as a capital pool Corporation on February 12, 2010, under the symbol GGD.P.

On July 30, 2010, following the receipt of all necessary regulatory approvals for approval of its Qualifying Transaction, the common shares of the Corporation commenced trading on the TSX Venture Exchange under the symbol GGD as a Tier 2 mining exploration Corporation.

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 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 Corporation issued 14,000,000 common shares to the shareholders of MHC and paid cash consideration of $1,100,000. The fair value 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.

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.

On July 30, 2012, the Corporation closed the acquisition of Absolute Gold Holdings Incorporated ("Absolute"). GoGold acquired all of the 83,000,000 issued and outstanding common shares of Absolute ("Absolute Shares") and the 15,000,000 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").

Under the Acquisition Agreement, the Corporation 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. Del C.V., is now a wholly-owned subsidiary of the Corporation.

Under the terms of the Acquisition Transaction, the 83,000,000 Absolute Shares and the 15,000,000 Absolute Warrants issued and outstanding are to be exchanged under the terms of the Acquisition Transaction 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.

The Parral Tailings Project comprises dry land tailings deposited from the historical Mina la Prieta silver and base metal mine. Please see the NI 43-101 compliant technical report entitled "National Instrument 43-101 Independent Technical Report on the Parral Tailings Project Chihuahua, Mexico held by Grupo Coanzamex S.A. de C.V. (Coanzamex) a Subsidiary of GoGold Resources Incorporated (GoGold)" dated February 20, 2013, prepared by David S. Dodd, B.Sc (Hon) FSAIMM, David R. Duncan, P.Geo and Ken Kuchling, P.Eng., ("Parral Prefeasibility Study") on SEDAR for a complete description of the project. Permits have been received and construction has commenced. The project is currently approximately 32% complete.

The following table summarizes the minimum future financial commitments (in US$) as of the date of this document to keep the Parral Tailings Project and the MDD Agreements, including Mina La Blanca, in good standing:

	Fiscal year 2014	2015	2016	2017	2018	2019
Work commitments	150,000	150,000	150,000	150,000	150,000	-
Minimum advance royalty and rent of land	728,000	938,000	938,000	938,000	938,000	768,000
Advance 12% royalty	912,240	-	-	-	-	-
Total	$ 1,790,240	$ 1,088,000	$ 1,088,000	$ 1,088,000	$ 1,088,000	$ 768,000

On January 14, 2013, the Corporation announced it had obtained conditional approval to list its common shares (the "Common Shares") on the Toronto Stock Exchange (the "TSX") under the symbol "GGD" and on January 22, 2013, the Corporation's Common Shares began trading on the TSX. The Corporation's Common Shares were simultaneously delisted from the TSX Venture Exchange.

On January 22, 2013, the Corporation announced it had appointed Mr. Terry Cooper, QC to the board of directors of the Corporation as well as to the Audit Committee and the Corporate Governance Committee. At the same time, Mr. Daniel Whittaker resigned from both the board of directors, the audit committee and the corporate governance committee. The audit committee now consists of three independent directors.

On September 30, 2013, the Corporation announced it had closed a $35-million (U.S.) debt and equity financing with Orion Mine Finance Fund I ("Orion"). The financing transaction is more fully described below (see "Parral Project").

On January 23, 2014 the Corporation announced that it and Animas Resources Ltd. ("Animas") have mailed to Animas securityholders the Corporation's takeover bid circular and Animas's directors' circular in connection with the takeover bid by the Corporation (the "Offer") for all of Animas's outstanding common shares ("Animas Shares") and share purchase warrants ("Animas Warrants").

The board of directors of Animas has unanimously recommended that holders of Animas Shares and holders of Animas Warrants (collectively, the "Securityholders") deposit their Animas Shares and Animas Warrants to the Offer. The board has also recommended that Securityholders reject the unsolicited offer made by Marlin Gold Mining Ltd. on December 23, 2013, as it is inferior to the Offer, and shareholders holding approximately 63.7% of the issued and outstanding Animas Shares (approximately 66.9% on a fully-diluted basis) have agreed to deposit or cause to be deposited their Animas Shares to the Offer.

Pursuant to the Offer, holders of Animas Shares will receive $0.07 in cash and 0.0851 of a common share of the Corporation (each a "GoGold Share") for each Animas Share (for a deemed offer price of $0.15 for each Animas Share based on the closing price of GoGold Shares on December 27, 2013 (the "Offer Price")), and one GoGold Share for each $0.94 of cumulative in-the-money value of Animas Warrants, calculated using the Offer Price, rounded down to the nearest whole GoGold Share.

Full details of the Offer are included in the take-over bid circular mailed on January 23, 2014 to Animas Securityholders. The Offer will expire at 7:00 p.m. (Toronto time) on February 28, 2014 (the "Expiry Time"), unless otherwise extended or withdrawn.

The board of directors of Animas has also formally waived the application of Animas' shareholders' rights plan in connection with the Offer.

Summary of Quarterly Results (in $)

	Revenue	Expenses	Net Loss	Working Capital	Total Assets	Shareholder Equity	Loss per Share
December 31, 2013	**0**	**758,614**	**2,925,443**	**17,535,550**	**113,110,800**	**94,677,601**	**.02**
September 30, 2013	**0**	**826,913**	**754,245**	**28,672,964**	**112,448,680**	**96,744,092**	**.01**
June 30, 2013	**0**	**684,609**	**630,882**	**15,284,887**	**93,797,989**	**93,492,710**	**.01**
March 31, 2013	**0**	**1,620,879**	**1,557,183**	**18,265,551**	**94,635,205**	**94,277,442**	**.01**
December 31, 2012	**0**	**754,245**	**754,245**	**21,730,823**	**94,993,318**	**94,697,439**	**.01**
September 30, 2012	**0**	**722,414**	**722,414**	**24,495,431**	**96,040,317**	**95,183,786**	**.01**
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**

Note: Fully diluted loss per share equals Loss per Share

Results of Operations

The Corporation completed the acquisition of Absolute Gold and the Parral Tailings Project on July 27, 2012 and after receiving a positive prefeasibility study commenced construction in Q4 2013 and is approximately 40% complete as of the date of this document. The Corporation is also carrying out exploration on the San Diego property which during the period focused on compiling data obtained regarding the high grade silver structures at Las Europas. The Corporation also deployed its exploration team to perform due diligence on the Santa Gertrudis past producing gold mine owned by Animas Resources Ltd.

During the three month periods ended December 31, 2013 and 2012, the Corporation earned no revenue. The Corporation incurred general and administrative costs of $449,021 in the current period compared to $565,840 in the prior period. The decrease is primarily a result of a lower non-cash stock based compensation expense of $75,578 in the current period versus $210,371 in the prior period. Regulatory costs were $79,643 in the current period compared to $7,841 in the prior period. The increase resulted from additional exchange and other regulatory fees associated with listing the Corporation's common shares on the TSX effective January 2013. Marketing and public relations costs were $229,950 in the current period compared to $253,232 in the prior period. The decrease in this expense item was due to fewer trade shows and marketing efforts as a result of the Corporation's focus on construction at Parral.

The Corporation incurred $319,080 in interest charges for the current period (2012 - $nil) which resulted from interest payable on the Orion loan. The Corporation also received $114,338 in finance income in the current period (2012 - $72,668). The increase in this figure is a result of the higher average cash balance on account during the current period after receipt of the first tranche of the Orion loan. The Corporation also incurred a foreign currency gain during the period of $70,637 (2012 – nil) which is the net effect of translating the long term debt owed to Orion denominated in US dollars and the US dollar cash balances to Canadian dollars and the change in the derivative liability which represents the fair value of the Orion warrants which have a US dollar strike price of US$1.50.

During the period the Mexican Government substantially enacted new tax legislation levying an effective tax of 7.5% to the concession holder of mining companies effective January 1, 2014. As a result, in the future the Company will not be permitted to deduct prior capital expenditures on the San Diego mining project and therefore has recorded a deferred tax liability of $2,032,724 (2012 - $nil) associated with these assets. This tax does not apply to the Parral project as the Company is not the concession holder.

These net expenses resulted in a net loss prior to other comprehensive income for the three months ended December 31, 2013 of $2,925,443 (2012 - $754,245).

The Corporation realized a gain on foreign currency translation differences arising on translation of foreign subsidiaries of $770,471 (2012 - $35,340). The increase is due to the weakness of the Canadian dollar during the current period. These amounts were classified as other comprehensive income.

The above resulted in a total comprehensive loss for the current period of $2,154,972 (2012 - $718,905).

The Corporation's cash used in operations was $2,960,128 during the three months ended December 31, 2013 and $997,182 during the prior period. The increase is due to the increased level of business activity as a result of the Parral construction being well underway and the Corporation's initiative to undertake due diligence on Animas. These projects require higher levels of head office general and administrative expenditures incurred in Canada in the form of consulting fees, personnel and administrative work. In addition, the current portion of long term debt increased by $1,409,000 during the current period. In connection with the Offer, the Corporation advanced Animas $250,000 for working capital purposes and placed $1,000,000 in escrow. Under the terms of the escrow agreement, the $1,000,000 is paid to Animas if the Corporation fails to take-up and pay for the shares tendered under the offer by April 30, 2014.

Cash used in investing activities amounted to $8,048,473 in the three months ended December 31, 2013 (2012 - $2,244,901). The increase is partially due to expenditures incurred on the Parral project as described in more detail below.

There were no financing activities in the three months ended December 31, 2013 (2012 - $nil).

The above resulted in the Corporation's cash balance being reduced from $31,114,102 at September 30, 2013 to $20,631,833 at December 31, 2013. Total current assets were similarly reduced from $31,551,951 on September 30, 2013 to $22,073,615 on December 31, 2013.

Total non-current assets, consisting of property, plant and equipment, exploration and evaluation assets and deposits on acquisition increased from $80,896,729 on September 30, 2013 to $91,037,185 on December 31, 2013 as a result of expenditures at Parral, exploration expenditures at San Diego and payments made as a result of the Animas transaction.

Current liabilities increased from $2,878,987 on September 30, 2013 to $4,538,065 on December 31, 2013 as a result of the increased amount of the current portion of long term debt and interest of $319,080 being accrued. Long term liabilities consisting of long term debt, derivative liability and income taxes increased from $12,825,601 at September 30, 2013 to $13,895,134 at December 31, 2013 mainly due to the increase in the tax liability which was partially offset by the reclassification of $1,409,000 (2012 - $nil) of long term debt to a current liability. The derivative liability is the Black-Scholes value of the Orion warrants which have an exercise price in US dollars and fluctuates in value depending on the Canadian/US dollar exchange rate.

Total equity decreased from $96,744,092 on September 30, 2013 to $94,677,601 on December 31, 2013 due to the operating results and comprehensive loss recorded in the current period.

Exploration Activities

During the three month period ended December 31, 2013, the San Diego project and the Rambler project remained classified as exploration projects although no activity occurred on the Rambler project. On September 30, 2013, the asset values relating to the Parral tailings project were transferred to property, plant and equipment. This transfer was made as a result of the project being judged to be commercially viable and demonstrable after receipt of the Parral prefeasibility study and completion of the financing with Orion.

Expenditures on the San Diego project totalled $340,740 in the period (2012 - $1,887,962). The Corporation has reduced expenditures on the San Diego project while it focuses on construction at Parral and to preserve cash. In addition, there was a $539,621 foreign exchange gain adjustment associated with the San Diego project in the current period versus $22,423 in the prior period which are included in other comprehensive income for the respective periods.

The carrying value of the San Diego project as of December 31, 2013 was $27,157,682 (2012 - $22,976,939) versus $26,277,321 as of September 30, 2013 (2012 - $21,066,554).

As noted, the Parral project was classified as an active exploration project in the prior period and incurred expenditures of $375,890 during the three month period ended December 2012 and recorded a foreign exchange adjustment of $1,874.

The carrying value of the Parral project as of December 31, 2012 was $49,138,264 versus $48,760,500 as of September 30, 2012. For current period values, see "Property Plant and Equipment" below.

San Diego Exploration Project
Exploration work on the San Diego project during the current period focused on compiling data obtained as a result of sampling, mapping and drilling work on the Las Europas area. Due to market conditions and the Corporation's focus on Parral, it was decided to conserve cash and slow the exploration expenses being incurred at San Diego during the year.

San Diego Project Future Plans
The San Diego Property is an exploration project that is currently in the discovery stage. As a result of the current state of capital markets and commodity prices as well as the Corporation's shift in focus as described above, exploration expenditures on the San Diego Property slowed during the year and are expected to remain below 2013 levels for fiscal 2014. Dependent on cash resources, the priorities for the San Diego Property are to outline a resource at both the San Diego South and Las Europas areas.

Property Plant and Equipment

As discussed above, on September 30, 2013, the Parral project balances were transferred to property, plant and equipment. During the current period, additions totaled $7,720,636 (2012 - $7,999). The current additions were comprised of mechanical work, earthworks, structural steel and EPCM (engineering, procurement and construction management) expenditures versus the prior period additions of $7,999 being purchases of miscellaneous equipment. In the current period there was also a foreign exchange adjustment of $304,012 (2012 - $nil). The change was due to the weakness in the Canadian dollar during the current period.

Carrying value for the Parral project as of December 31, 2013 was $61,820,218 versus $53,802,098 as of September 30, 2013.

Parral Project

The Corporation announced on February 21, 2013 that it had completed the Parral prefeasiblity study on its Parral tailings project in Chihuahua state, Mexico, which defined a reserve of 35 million silver-equivalent ounces and a pretax internal rate of return of 80 percent (dollar amounts are in U.S. dollars). The study projects an initial capital cost of $35-million and a life of mine (LOM) of 12 years with an average annual production of 1.8 million silver-equivalent ounces (1.2 million ounces of silver and 11,000 ounces of gold). The mine production is planned at 5,000 tonnes per day on a conventional heap leach with a sustaining capital of $27.5-million over LOM. The Parral prefeasibility study was prepared by the MDM Group of South Africa, in accordance with the requirements of National Instrument 43-101.

The study includes a LOM reserve average silver grade of 38.4 grams per tonne silver and 0.31 g/t gold, and a recovery of 58 per cent for silver and 64 per cent for gold. Cash operating cost for silver of $6.48 an ounce using gold as a byproduct credit. This project as outlined in the prefeasibility study has a pretax IRR of 80 per cent, with pretax net cash flow of $230-million and a pretax net present value of $159-million using a 5-

per-cent discount rate. The study is based on a gold and silver price of $1,475 (U.S.)/ounce gold and $29 (U.S.)/ounce silver. Payback for the project is expected in the first 16 months of production.

On September 30, 2013, the Corporation closed a $35-million (U.S.) debt and equity financing with Orion Mine Finance Fund I (the "Orion Financing").

Orion Mine Finance Fund I ("Orion"), will provide $30-million (U.S.) in senior secured debt in two tranches. The first tranche of $15,000,000 (U.S.) was received in September 2013 and the second tranche of $15,000,000 (U.S.) was received in February 2014. The debt will bear interest at London interbank offered rate (LIBOR) plus 6.5 per cent, repayable in equal quarterly instalments over a three-year period commencing in September, 2014.

In addition, on the closing date, Orion purchased 4,693,563 common shares of the Corporation through a non-brokered private placement for gross aggregate proceeds of $5-million (U.S.), representing a purchase price of approximately $1.103 (Canadian) per common share, which is a 5-per-cent premium to the volume-weighted average share price of the common shares on the Toronto Stock Exchange for the 20 trading days ended September 13, 2013. Orion also received two million common share purchase warrants. Each whole warrant will entitle Orion to acquire one common share at a price of US$1.50 for a period of two years from the closing date. The common shares and the warrants, and the common shares issuable on exercise of the warrants, are subject to a four-month hold period from the closing date.

Orion will have the right to purchase additional common shares and/or participate in future securities offerings by the Corporation in order to maintain its ownership share.

The net proceeds of the financing transactions will be used to finance the development and construction of the Parral tailings project and for general working capital purposes.

The Corporation and Orion also entered into a definitive off-take agreement, together with the Corporation's indirect wholly owned subsidiary, Grupo Coanzamex SA de CV. Under the off-take agreement, Coanzamex has agreed to sell and Orion has agreed to purchase all of the refined gold and refined silver produced from the Parral tailings project, up to an aggregate of 150,000 ounces of refined gold and 15 million ounces of refined silver. As part of the offtake agreement, Orion has a look back window and depending on volatility of commodity prices, management estimates this to represent a 1.5 – 3.0% reduction in the realized sale price of metal produced at Parral.

The Corporation, after having received the required permits, commenced construction of the Parral tailings project in Q4 of fiscal 2013. Earthworks, civil and structural steel fabrication are well underway, longer lead items have been ordered and operational personnel positions are being filled. Construction is expected to be complete and the first gold pour to occur in May of 2014.

Contractual Obligations

	Fiscal year					
	2014	2015	2016	2017	2018	2019
Work commitments	150,000	150,000	150,000	150,000	150,000	-
Minimum advance royalty and rent of land	728,000	938,000	938,000	938,000	938,000	768,000
Advance 12% royalty	912,240	-	-	-	-	-
Total	$ 1,790,240	$ 1,088,000	$ 1,088,000	$ 1,088,000	$ 1,088,000	$ 768,000

Liquidity and Capital Resources

At December 31, 2013, the Corporation had cash of $20,631,833 (September 30, 2013 - $31,114,102).

At December 31, 2013, the Corporation had working capital of $17,535,550 (September 30, 2013 - $28,672,964). Together with the receipt of the US$15 million second tranche of the Orion loan in February of 2014, management expects this working capital to be sufficient for the Corporation to complete construction, commissioning and startup of the Parral tailings project. The Santa Gertrudis gold mine project may require additional capital and the Corporation is investigating alternatives to raise additional capital. The ability of the Corporation to raise the necessary funds cannot be guaranteed.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Transactions with Related Parties

Included in general and administrative expense during the three months ended December 31, 2013 are insurance premiums amounting to $60,740 (2012 - $19,999) paid to a Corporation in which a significant interest is owned by a director of the Corporation. The increase in the premiums from the prior periods is due to additional coverage generally as well as specific construction insurance put in place for the duration of construction at Parral.

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

a) 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;
- assets and liabilities are translated at the closing rate at the date of the 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.

Recent accounting pronouncements:

The Company adopted the following accounting standards and amendments to accounting standards, effective October 1, 2013:

a) Consolidated Financial Statements

IFRS 10, Consolidated Financial Statements, replaces the consolidated financial statements section of IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purposes Entities in its entirety. IFRS 10 establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities, regardless of the nature of relationship. The new standard introduces a revised definition of control, and provides additional guidance on how to apply the control principle in a number of situations. There was no impact on the Company's consolidated financial statements upon the adoption of this standard.

b) Joint Arrangements

IFRS 11, Joint Arrangements, replaces IAS 31, Interests in Joint Ventures, and requires the Company to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint venture, the Company will account for its interest in the net assets of the joint venture using the equity method of accounting. The Company will no longer have the option to proportionately consolidate its share of the net assets, revenues and expenses of joint ventures. There was no impact on the Company's consolidated financial statements upon the adoption of this standard.

c) Disclosure of Interests in Other Entities

IFRS 12, Disclosure of Interests in Other Entities, outlines the disclosures required surrounding an entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities, to enable users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements of IFRS 12 relate to disclosures only and are applicable for the first annual period after adoption. IFRS 12 does not require the disclosures to be included for periods that precede the first annual period for which IFRS 12 is applied. Therefore, any additional disclosures about interests in other entities that are required by this standard will be provided in the Company's consolidated financial statements for the year ended September 30, 2014.

d) Fair Value Measurement

IFRS 13, Fair Value Measurement, is a single source of fair value measurement guidance under IFRS. This new IFRS clarifies the definition of fair value, provides a clear framework for measuring fair value, and enhances the disclosures about fair value measurements. IFRS 13 is not only limited to financial instruments, but also applies to fair value measurement in other IFRS, such as impairment and employee future benefits. There was no impact on the Company's consolidated financial statements upon the adoption of this standard.

e) Financial Instruments

IFRS 7, Financial Instruments: Disclosures and IAS 32, Financial Instruments: Presentation, were amended to address the issue of offsetting financial assets and financial liabilities in the financial statements. The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the balance sheet or that are subject to master netting arrangements or similar arrangements. There was no impact on the Company's consolidated financial statements upon the adoption of this amendment.

f) Presentation of Financial Statements

IAS 1, Presentation of Financial Statements, was amended to revise the presentation of other comprehensive income, requiring entities to group items presented in other comprehensive income based on whether they are potentially reclassifiable to profit or loss subsequently, with subtotals for each group. There was no impact on the Company's consolidated financial statements upon the adoption of this amendment.

A number of new standards, and amendments to standards and interpretations under IFRS, are not yet effective for the year ending September 30, 2014, and have not been applied in preparing these condensed consolidated interim financial statements.

a) Financial instruments

The IASB has issued IFRS 9, Financial Instruments, which will replace IAS 39, Financial Instruments: Recognition and Measurement, and some of the requirements of IFRS 7, Financial Instruments: Disclosures. The date IFRS 9 becomes effective is in the process of being finalized by the International Accounting Standards Board. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

b) Levies

The IASB issued IFRIC 21, Levies in May 2013, which provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The Corporation intends to adopt IFRIC 21 in its financial statements for the annual period beginning October 1, 2014. The Corporation does not expect the amendments to have a material impact on the financial statements.

c) Recoverable amount disclosures for non-financial assets

In May 2013 the IASB issued amendments to IAS 36 to reverse the unintended requirement in IFRS 13 Fair Value Measurement, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The Corporation intends to adopt the amendments in its financial statements for the annual period beginning October 1, 2014. As the amendments impact certain disclosure requirements only, the Corporation does not expect the amendments to have a material impact on the financial statements.

Financial Instruments and Other Risks

The Corporation's financial instruments consist of cash, input taxes recoverable, prepaid expenses, deposits, accounts payable, accrued liabilities and long term debt. The fair market value of these financial instruments approximates their carrying values, unless otherwise noted. For the purposes of determining fair value of its financial instruments, the Corporation classifies the inputs at a Level 1 measurement, where inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

As described above, the Corporation incurred a foreign currency gain arising from translation of foreign subsidiaries during the three months ended December 31, 2013 of $770,471 (2012 – gain of $35,340). The large gain in the current period is due to a significant weakening of the Mexican Peso and Canadian dollar versus the US Dollar during the current period impacting the translation of the carrying value of the related assets. These amounts were recorded under other comprehensive income for the periods.

In addition, the Corporation received finance income during the three months ended December 31, 2013 of $114,338 (2012 – $72,668).

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 and debt 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. With the exception of the Parral tailings project, the Corporation may 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 Corporation's Annual Information Form dated December 31, 2013, a copy of which may be obtained on the SEDAR website at www.sedar.com, as well as other continuous disclosure materials filed from time to time with Canadian securities regulatory authorities.

Outstanding Share Data

As at December 31, 2013, the Corporation had a total of 132,981,894 common shares issued and outstanding with a recorded value of $94,241,134. Comparative figures for September 30, 2013 were 128,288,331 and $94,241,134.

As of the date of this document, the Corporation has 151,441,894 fully diluted common shares outstanding.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management is responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Corporation, including its consolidated subsidiaries, is made known to the Corporation's certifying officers. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Corporation's disclosure controls and procedures as at December 31, 2013 and have concluded that these controls and procedures are effective.

The Corporation's management, under the supervision of its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and CFO have concluded that internal controls over financial reporting were effective as of December 31, 2013.

There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Events After the Reporting Period

On January 23, 2014 the Corporation and Animas mailed to Animas securityholders the Corporation's takeover bid circular and Animas's directors' circular in connection with the takeover bid by the Corporation (the "Offer") for all of Animas's outstanding common shares ("Animas Shares") and share purchase warrants ("Animas Warrants").

The board of directors of Animas has unanimously recommended that holders of Animas Shares and holders of Animas Warrants (collectively, the "Securityholders") deposit their Animas Shares and Animas Warrants to the Offer. The board has also recommended that Securityholders reject the unsolicited offer made by Marlin Gold Mining Ltd. on December 23, 2013, as it is inferior to the Offer, and shareholders holding approximately 63.7% of the issued and outstanding Animas Shares (approximately 66.9% on a fully-diluted basis) have agreed to deposit or cause to be deposited their Animas Shares to the Offer.

Pursuant to the Offer, holders of Animas Shares will receive $0.07 in cash and 0.0851 of a common share of the Corporation (each a "GoGold Share") for each Animas Share (for a deemed offer price of $0.15 for each Animas Share based on the closing price of GoGold Shares on December 27, 2013 (the "Offer Price")), and one GoGold Share for each $0.94 of cumulative in-the-money value of Animas Warrants, calculated using the Offer Price, rounded down to the nearest whole GoGold Share.

Full details of the Offer are included in the take-over bid circular mailed on January 23, 2014 to Animas securityholders. The Offer will expire at 7:00 p.m. (EST) on February 28, 2014 (the "Expiry Time"), unless otherwise extended or withdrawn. The Offer is conditional on, among other things (i) there being validly deposited under the Offer and not withdrawn at the Expiry Time such number of Animas Shares and Animas Warrants that constitutes at least $66^{2/3}$% of the issued and outstanding Animas Shares (calculated on a fully-diluted basis) at the Expiry Time, (ii) the shareholder rights plan of Animas being waived, invalidated or cease traded and no shareholder rights plan or similar plan of Animas in force or existence, (iii) none of the lock-up agreements having been terminated in accordance with their terms, (iv) the receipt of all necessary regulatory approvals and third-party consents, (v) that the Corporation shall have determined in its reasonable judgment that there shall not have occurred any change (or any condition, event, circumstance or development involving a prospective change) in the business, assets, operations, capitalization, condition (financial or otherwise), prospects, results of operations, cash flows or liability of Animas or its affiliated entities that is or may be materially adverse to Animas or any of its affiliated entities or to the value of the Animas Shares or the Animas Warrants to the Corporation, and (vi) there being no untrue statements or omissions in Animas' public disclosure. Once the $66^{2/3}$% acceptance level is met, the Corporation intends, but is not required to, take steps to acquire all of the outstanding Animas Shares and other convertible securities or rights to acquire Animas Shares.

The board of directors of Animas has also formally waived the application of Animas' shareholders' rights plan in connection with the Offer.

The Corporation received the second tranche of the Orion financing (US$15,000,000) in February of 2014 on the same terms as the first tranche.

Future Outlook

Given the current state of the capital markets and commodity prices, the Corporation intends to focus on completing construction at Parral and completing the Animas transaction. In the event the acquisition of Animas is completed and the Corporation completes a positive prefeasibility or feasibility study on the Santa Gertrudis project, the Corporation will move to finance and construct facilities to put the Santa Gertrudis mine back into production as soon as possible. As well, the Corporation intends to continue investigating projects that meet our criteria of being advanced, capable of producing at a low all-in cost and of being developed in a short time frame.

Other Information

Additional information regarding the Corporation, including the Corporation's Annual Information Form dated December 31, 2013, is available on SEDAR at www.sedar.com.

Dated: February 13, 2014