CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

QUARTER ENDED

MARCH 31, 2016

(in thousands of United States Dollars unless stated otherwise)
(Unaudited)

GoGold RESOURCES INC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - in thousands of United States dollars)

	March 31 2016	September 30 2015
ASSETS		
Current assets:		
Cash	**$ 997**	$ 2,721
Trade receivables	**2,390**	1,145
Input tax recoverable	**2,585**	591
Prepaid expenses	**111**	1,249
Inventories (Note 3)	**17,802**	11,090
	23,885	16,796
Non-current assets:		
Input tax recoverable	**5,015**	5,144
Inventories (Note 3)	**958**	1,091
Property, plant and equipment (Note 4)	**80,584**	78,505
Exploration and evaluation assets (Note 5)	**19,464**	39,060
Total assets	**$ 129,906**	$ 140,596
LIABILITIES		
Current liabilities:		
Trade and other payables	**$ 8,004**	$ 5,588
Income taxes payable	**127**	41
Derivative liability (Note 10 (d))	**84**	174
	8,215	5,803
Non-current liabilities:		
Long term debt (Note 6)	**35,448**	27,357
Provision for site restoration	**968**	953
Deferred income taxes	**2,565**	2,627
Total liabilities	**47,196**	36,740
EQUITY		
Share capital (Note 7)	**132,764**	132,684
Contributed surplus	**6,647**	6,528
Accumulated other comprehensive loss	**(16,566)**	(14,630)
Deficit	**(40,135)**	(20,726)
Total equity	**82,710**	103,856
Total liabilities and equity	**$ 129,906**	$ 140,596

Subsequent event (Note 6)
Commitments (Note 11)

See accompanying notes to the unaudited condensed consolidated financial statements.

GOGOLD RESOURCES INC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited - in thousands of United States dollars, except per share amounts)

	Three months ended		Six months ended	
	March 31 2016	March 31 2015	**March 31 2016**	March 31 2015
Revenue from mining operations	**$ 5,081**	$ 39	**$ 8,082**	$ 39
Cost of sales:				
Production costs, except amortization and depletion	**2,364**	17	**3,798**	17
Amortization and depletion	**1,261**	6	**2,003**	6
	3,625	23	**5,801**	23
General and administrative	**918**	1,054	**2,011**	2,047
Operating income (loss)	**538**	(1,038)	**270**	(2,031)
Finance costs	**(430)**	(239)	**(787)**	(239)
Foreign exchange gain (loss)	**2,502**	(2,127)	**1,097**	(3,732)
Gain (loss) on derivative liability	**62**	(159)	**92**	220
Impairment charge (Note 5)	**(20,030)**	-	**(20,030)**	-
	(17,896)	(2,525)	**(19,628)**	(3,751)
Loss before income taxes	**(17,358)**	(3,563)	**(19,358)**	(5,782)
Current income tax expense	**(31)**	-	**(87)**	-
Deferred income tax recovery	**426**	-	**36**	188
	395	-	**(51)**	188
Net loss for the period	**(16,963)**	(3,563)	**(19,409)**	(5,594)
Items which may subsequently be recycled through profit or loss:				
Foreign currency translation differences arising on translation of foreign operations	**(2,460)**	431	**(1,936)**	(2,534)
Total comprehensive loss for the period	**$ (19,423)**	$ (3,132)	**$ (21,345)**	$ (8,128)
Net loss per share basic and fully diluted (Note 7)	**$ (0.10)**	$ (0.02)	**$ (0.12)**	$ (0.04)
Weighted average number of common shares outstanding (Note 7)	**162,264,201**	161,995,484	**162,242,987**	157,067,544

See accompanying notes to the unaudited condensed consolidated financial statements.

GoGold Resources Inc

Condensed Consolidated Statements of Cash Flows

(Unaudited - in thousands of United States dollars)

	Three months ended		Six months ended	
	March 31 2016	March 31 2015	**March 31 2016**	March 31 2015
Cash provided by (used in) the following activities:				
Operating activities				
Net loss for the period	**$ (16,963)**	$ (3,563)	**$ (19,409)**	(5,594)
Items not involving cash:				
Amortization and depletion	**1,261**	6	**2,003**	6
Deferred income taxes	**(426)**	-	**(36)**	(188)
Foreign exchange loss (gain)	**(2,502)**	2,127	**(1,097)**	3,732
Gain on derivative liability	**(62)**	159	**(92)**	(220)
Amortization of deferred financing fees and accretion	**76**	53	**144**	53
Stock based compensation	**100**	119	**120**	161
Impairment charge	**20,030**	-	**20,030**	-
	1,514	(1,099)	**1,663**	(2,050)
Net change in non-cash working capital (Note 8)	**(2,818)**	(1,504)	**(5,131)**	(4,509)
Net cash used in operating activities	**(1,304)**	(2,603)	**(3,468)**	(6,559)
Investing activities				
Exploration and evaluation expenditures	**(426)**	(2,564)	**(1,106)**	(3,429)
Purchase of property, plant and equipment, net of credits	**(2,223)**	925	**(5,200)**	382
Net cash used in investing activities	**(2,649)**	(1,639)	**(6,306)**	(3,047)
Financing activities				
Principal payments on long term debt (Note 6)	**-**	(2,610)	**-**	(5,219)
Proceeds from long term debt (Note 6)	**4,000**	-	**8,000**	-
Issuance of common shares (Note 7)	**-**	(5)	**-**	16,224
Proceeds on exercise of options (Note 7)	**46**	-	**46**	185
Proceeds on exercise of warrants (Note 7)	**-**	366	**-**	951
Net cash provided by financing activities	**4,046**	(2,249)	**8,046**	12,141
Net (decrease) increase in cash and cash equivalents	**93**	(6,491)	**(1,728)**	2,535
Foreign exchange impact on cash	**(117)**	(180)	**4**	(337)
Cash and cash equivalents, beginning of period	**1,021**	12,281	**2,721**	3,412
Cash and cash equivalents, end of period	**$ 997**	$ 5,610	**$ 997**	$ 5,610

See accompanying notes to the unaudited condensed consolidated financial statements.

GoGold Resources Inc

Condensed Consolidated Statements of Changes in Equity

(Unaudited - in thousands of United States dollars)

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive loss		Deficit		Total equity
Balance at October 1, 2014	147,831,030	$	114,685	$	6,986	$	(9,532)	$	(14,644)	$	97,495
Net loss	-		-		-		-		(5,594)		(5,594)
Other comprehensive loss	-		-		-		(2,534)		-		(2,534)
Stock-based compensation (Note 7)	-		-		239		-		-		239
Warrant exercise (Note 7)	737,473		1,447		(118)		-		-		1,329
Option exercise (Note 7)	170,000		298		(113)		-		-		185
Shares issued, net of issuance costs (Note 7)	13,333,500		16,224		-		-		-		16,224
Balance at March 31, 2015	162,072,003	$	132,654	$	6,994	$	(12,066)	$	(20,238)	$	107,344
Balance at October 1, 2015	162,222,003	$	132,684	$	6,528	$	(14,630)	$	(20,726)	$	103,856
Net loss	-		-		-		-		(19,409)		(19,409)
Other comprehensive loss	-		-		-		(1,936)		-		(1,936)
Stock-based compensation (Note 7)	-		-		153		-		-		153
Option exercise (Note 7)	80,000		80		(34)		-		-		46
Balance at March 31, 2016	162,302,003	$	132,764	$	6,647	$	(16,566)	$	(40,135)	$	82,710

See accompanying notes to the unaudited condensed consolidated financial statements.

(Unaudited – in thousands of United States dollars unless otherwise stated)

1. NATURE OF OPERATIONS

GoGold Resources Inc. (the "Corporation") 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 Corporation's common shares are listed on the Toronto Stock Exchange trading under the symbol GGD. The condensed consolidated interim financial statements of the Corporation comprise the Corporation and its subsidiaries. The principal business of the Corporation is the exploration, development, and production of gold, silver, and copper primarily in Mexico.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These condensed consolidated interim financial statements do not give effect to the adjustments necessary to the carrying values and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (''IASB''). These financial statements were prepared using the same accounting policies and methods of computation, and are subject to the same use of estimates and judgments, as the Corporation's consolidated financial statements for the year ended September 30, 2015.

These condensed consolidated interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended September 30, 2015 prepared in accordance with IFRS as issued by the IASB.

b) Accounting changes

The Corporation has not adopted any new accounting standards or amendments to accounting standards in the current fiscal period.

3. INVENTORIES

	March 31, 2016	September 30, 2015
Current:		
Supplies inventory	**$ 694**	$ 771
Ore in process inventory	**17,031**	10,241
Finished goods inventory	**77**	78
	17,802	11,090
Long term:		
Ore in process inventory	**958**	1,091
	$ 18,760	$ 12,181

The amount of inventory included in cost of sales for the three months ended March 31, 2016 was $2,364 (three months ended March 31, 2015 – $17) and for the six months ended March 31, 2016 was $3,798 (six months ended March 31, 2015 – $17).

(Unaudited – in thousands of United States dollars unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 29,183	$ 54,434	$ 83,617
Additions	5,055	1,163	6,218
Foreign exchange adjustments	(1)	-	(1)
At March 31, 2016	**$ 34,237**	**$ 55,597**	**$ 89,834**

Accumulated Amortization	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 3,507	$ 1,605	$ 5,112
Amortization and depletion	3,020	1,118	4,137
Foreign exchange adjustments	-	-	-
At March 31, 2016	**$ 6,527**	**$ 2,723**	**$ 9,250**

Carrying Value	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 25,676	$ 52,829	$ 78,505
At March 31, 2016	**$ 27,710**	**$ 52,874**	**$ 80,584**

For the six months ended March 31, 2016, additions to amortization and depletion include amounts of $2,112 (six months ended March 31, 2015 - $732) which are capitalized in ore in process inventory. For the six months ended March 31, 2016, additions to mining properties include $1,030 related to the elimination of a 12% net profit royalty on the Parral tailings project which was previously included in prepaid expenses.

5. EXPLORATION AND EVALUATION ASSETS

Cost	San Diego	Santa Gertrudis	Total
At September 30, 2015	$ 20,527	$ 18,533	$ 39,060
Additions	84	1,054	1,138
Impairment	(20,030)	-	(20,030)
Foreign exchange adjustments	(363)	(341)	(704)
At March 31, 2016	**$ 218**	**$ 19,246**	**$ 19,464**

In the three months ended March 2016, management determined that there would not be any significant expenditures on the San Diego property for exploration and evaluation of mineral resources. This was considered an indicator of impairment, and accordingly an impairment test on the property was completed. An analysis of properties in similar stages – where a resource report was completed, but not an economic assessment – was undertaken to determine a market multiple expressed as dollar per gold equivalent ounce in resource. This multiple was then applied to the ounces in resource for the San Diego property which provided a fair market value of $218, which resulted in an impairment charge of $20,030 during the period (2015 – $Nil).

(Unaudited – in thousands of United States dollars unless otherwise stated)

6. LONG TERM DEBT

Long term debt consists of a $50,000 senior revolving credit facility which was entered into on July 21, 2015 with a Canadian chartered bank. The facility bears interest at LIBOR plus 2.00% to 3.25%, depending on the leverage ratio of the Corporation, and matures on July 21, 2018, and may be extended upon mutual agreement by both parties. No principal payments under the facility are due until the maturity date and it has pledged as security a first charge over all the Corporation's assets. On December 18, 2015, the Corporation amended the credit facility to adjust the financial covenants to modify certain ratios to coincide with the ramp up of the Corporation's production. On March 31, 2016, the Corporation received a waiver of the tangible net worth covenant as a result of the impairment recorded on the San Diego property as described in Note 5, which waives the covenant for the March 31, 2016 reporting period, and subsequently received a permanent amendment on May 10, 2016 which reduces the tangible net worth covenant requirement by the amount of the San Diego impairment.

The credit facility has covenants that include, but are not limited to, a leverage ratio (for which debt is compared to EBITDA as defined in the credit facility agreements; excluding most significant non-cash and non-recurring items) and an interest coverage ratio. The Corporation is required to ensure at all times prior to September 30, 2016 that the ratio of debt to EBITDA, determined on a rolling four quarter basis, does not exceed 4.0 to 1 and at all times on and after September 30, 2016 3.5 to 1, and the ratio of EBITDA to interest expense, determined on a rolling four quarter basis equals or exceeds 4.5 to 1. As of March 31, 2016, GoGold's ratio of debt to EBITDA was 3.9 to 1 and EBITDA to interest expense was 6.3 to 1. The Corporation was in compliance with all covenants other than the covenant which was waived as discussed above.

During the three and six months ended March 31, 2016, the Corporation received proceeds of $4,000 and $8,000 (three and six months ended March 31, 2015 - $Nil and $Nil) and made no repayments under the facility. As of March 31, 2016, the Corporation had drawn $36,000 (September 30, 2015 - $28,000). In the event the Corporation exceeds any of the covenants under the credit facility, its ability to borrow funds may be restricted. As at March 31, 2016 the maximum the Corporation could draw without exceeding covenants was $800.

Interest expense of $354 and $643 (2015 – $186 and $186) is included in finance costs for the three and six months ended March 31, 2016.

7. 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:

	Shares	Value
Balance September 30, 2014	147,831,030	$ 114,685
Shares issued, net of issuance costs	13,333,500	16,224
Shares issued for exercise of options	170,000	298
Shares issued for exercise of warrants	737,473	1,447
Balance March 31, 2015	162,072,003	$ 132,654
Balance September 30, 2015	162,222,003	$ 132,684
Shares issued for exercise of options	80,000	80
Balance March 31, 2016	**162,302,003**	**$ 132,764**

(Unaudited – in thousands of United States dollars unless otherwise stated)

On December 3, 2014, the Corporation closed a bought deal whereby a syndicate of underwriters purchased 13,333,500 common shares of the Corporation at a price of $1.50 CAD per share for net proceeds, after share issuance costs, to the Corporation of $16.2 million.

The weighted average number of common shares outstanding for the three and six months ending March 31, 2016 was 162,264,201 and 162,242,987 (three and six months ending March 31, 2015 – 161,995,484 and 157,067,544).

(c) Finder's stock options

There were 170,000 finder's stock options exercised in the six months ended March 31, 2015 at an exercise price of CAD $1.25 and a market price of CAD $1.50. There were no finder's stock options outstanding subsequent to that exercise.

(d) Incentive stock options

The Corporation has an 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. Options are granted at a price no lower than the market price of the common shares as defined in the Plan which is the five day weighted average of the Corporation's common shares prior to the date of grant rounded up to the nearest cent. Options granted under the Plan typically vest over a 3 year period, although the vesting period is at the Board of Directors' discretion.

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 incentive stock options during the six months ended March 31, 2016 and March 31, 2015 were as follows:

	March 31, 2016		**March 31, 2015**	
	Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance	3,365,000	CAD $ 1.26	3,515,000	CAD $ 1.22
Granted	1,675,000	1.20	-	-
Exercised	(80,000)	0.80		
Closing balance	4,960,000	CAD $ 1.25	3,515,000	CAD $ 1.26
Exercisable	2,851,667	CAD $ 1.26	2,581,667	CAD $ 1.18

The weighted average market price on the day of exercise for the exercised options in the six months ended March 31, 2016 was $1.07.

(Unaudited – in thousands of United States dollars unless otherwise stated)

The following table summarizes information concerning outstanding and exercisable incentive stock options at March 31, 2016:

	Outstanding		Exercisable	
Expiry date	Number of options	Exercise price (CAD $)	Number of options	Exercise price (CAD $)
July 8, 2016	835,000	0.90	835,000	0.90
February 7, 2017	325,000	1.53	325,000	1.53
July 9, 2017	100,000	1.60	33,333	1.60
August 20, 2017	325,000	1.54	325,000	1.54
September 17, 2017	150,000	1.60	150,000	1.60
October 9, 2017	350,000	1.40	350,000	1.40
March 1, 2018	150,000	1.26	150,000	1.26
May 16, 2018	125,000	1.30	83,333	1.30
December 9, 2018	450,000	1.00	300,000	1.00
February 12, 2019	100,000	1.50	66,667	1.50
March 17, 2019	325,000	1.60	216,667	1.60
July 9, 2019	50,000	1.60	16,667	1.60
December 23, 2020	1,675,000	1.20	-	-
	4,960,000	CAD $ 1.25	2,851,667	CAD $ 1.26

The compensation charges for the 1,675,000 incentive stock options granted during the six months ended March 31, 2016 were 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:

Option grant date	Dec. 23, 2015
Exercise price	CAD $ 1.20
Risk-free rate	0.62%
Expected volatility of share price	47.83%
Expected dividend yield	0.00%
Expected life of each option	3.5 years
Weighted average grant date fair value	CAD $ 0.39

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. The expected forfeiture rate was nil. There were no options granted during the six months ended March 31, 2015.

The Corporation has recorded total share based compensation for the three and six months ending March 31, 2016 of $116 and $153 (2015 - $153 and $239), which has been recorded as compensation expense amounting to $100 and $120 (2015 - $119 and $161) and as additions to exploration and evaluation assets of $16 and $33 (2015 -$34 and $78).

(e) Deferred share units

On March 24, 2016 the Corporation approved a deferred share unit ("DSU") plan as an alternative form of compensation for employees, officers, and directors of the Corporation. Each DSU entitles the participant to receive one common share of the Corporation issued from treasury upon redemption. The maximum number of common shares that are issuable under the DSU plan is 5,000,000, and when combined with the incentive stock option plan shall not exceed 10% of the issued and outstanding common shares. As of March 31, 2016, no DSUs were issued or outstanding.

(Unaudited – in thousands of United States dollars unless otherwise stated)

(f) Warrants

At March 31, 2016, the Corporation had nil (March 31, 2015 – 2,000,000) warrants outstanding with an exercise price of CAD $1.50 that expired on September 27, 2015.

The changes in warrants during the six months ended March 31, 2016 and March 31, 2015 were as follows:

	March 31, 2016			March 31, 2015		
	Number of warrants	Weighted average exercise price	Remaining contractual life (years)	Number of warrants	Weighted average exercise price	Remaining contractual life (years)
Opening balance	-	-	-	8,045,840	CAD $ 1.50	0.49
Exercised	-	-	-	737,473	1.50	0.16
Expired	-	-	-	5,308,367	1.50	-
Closing balance	-	-	-	2,000,000	1.50	0.50
Exercisable	-	-	-	2,000,000	CAD $ 1.50	0.50

The average market price on the days of exercise for the exercised warrants was CAD $1.63.

(g) Earnings (loss) per share

Basic earnings (loss) 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 March 31, 2016, 4,960,000 options (March 31, 2015 – 3,515,000) and Nil warrants (March 31, 2015 – 2,000,000) were excluded from the computation of diluted loss per share because their effect would have been anti-dilutive.

8. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended		Six months ended	
	March 31 2016	March 31 2015	**March 31 2016**	March 31 2015
Change in non-cash operating working capital:				
Trade receivables	**$ (1,300)**	$ 154	**$ (1,245)**	$ 1,058
Input tax recoverable	**(1,054)**	20	**(2,045)**	(666)
Prepaid expenses	**16**	(251)	**47**	(200)
Inventories	**(2,273)**	(1,492)	**(4,444)**	(4,184)
Trade and other payables	**1,761**	65	**2,469**	(517)
Income taxes payable	**32**	-	**87**	-
	$ (2,818)	$ (1,504)	**$ (5,131)**	$ (4,509)

9. SEGMENTED INFORMATION

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

(Unaudited – in thousands of United States dollars unless otherwise stated)

The following table presents information about reportable segments:

	Mexico	Canada	Total
For the three months ended March 31, 2016:			
Depreciation	$ 1,261	$ -	$ 1,261
Segment net (loss) income	(17,749)	786	(16,963)
Impairment charge	20,030	-	20,030
Expenditures on non-current assets	2,648	-	2,648
For the three months ended March 31, 2015:			
Depreciation	$ 6	$ -	$ 6
Segment net loss	(624)	(2,939)	(3,563)
Expenditures on non-current assets	1,640	-	1,640
For the six months ended March 31, 2016:			
Depreciation	$ 2,003	$ -	$ 2,003
Segment net loss	(17,456)	(1,863)	(19,409)
Impairment charge	20,030	-	20,030
Expenditures on non-current assets	6,306	-	6,306
For the six months ended March 31, 2015:			
Depreciation	$ 6	$ -	$ 6
Segment net loss	(1,141)	(4,453)	(5,594)
Expenditures on non-current assets	3,047	-	3,047
Reportable segment assets (March 31, 2016)	$ 129,222	$ 684	$ 129,906
Reportable segment liabilities (March 31, 2016)	10,922	36,275	47,197
Reportable segment assets (September 30, 2015)	$ 138,450	$ 2,146	$ 140,596
Reportable segment liabilities (September 30, 2015)	8,840	27,900	36,740

Included in segment net income in Canada for the three and six months ended March 31, 2016 are foreign exchange gains of $2,294 and $1,126 (2015 – losses of $1,748 and $2,899).

10. FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments:

The fair values of the Corporation's financial instruments are considered to approximate the carrying amounts. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable or unobservable, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are based on inputs which have a significant effect on fair value that are observable, either directly or indirectly from market data; and
- Level 3 inputs are unobservable (supported by little or no market activity).

(Unaudited – in thousands of United States dollars unless otherwise stated)

The following table provides the disclosures of the fair value and the level in the hierarchy. All of the instruments included below were valued at fair value through profit or loss.

	March 31, 2016		September 30, 2015	
	Level 1	Level 2	Level 1	Level 2
Cash	$ 997	-	$ 2,721	-
Derivative liabilities	-	$ 84	-	$ 174

For derivative contracts, the Corporation obtains a valuation of the contracts from counterparties of those contracts. The Corporation assesses the reasonableness of these valuations through internal methods and third party valuations. The Corporation then calculates a debt valuation adjustment or a credit valuation adjustment by considering the risk of nonperformance by the counterparties and the Corporation's own credit risk. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument, and are therefore classified within Level 2 of the fair value hierarchy.

(b) Capital management:

The Corporation's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and debt. 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.

The capital of the Corporation consists of items included in shareholders' equity and debt, net of cash as follows:

	March 31, 2016	September 30, 2015
Shareholders' equity	$ 82,710	$ 103,856
Current and long term debt	35,448	27,357
	118,158	131,213
Less: cash	(997)	(2,721)
	$ 117,161	$ 128,492

(c) Financial risks:

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

Commodity Price risk
The profitability of the Corporation's mining operations will be significantly affected by changes in the market price for gold and silver ("Metal"). Metal prices fluctuate on a daily basis and are affected by numerous factors beyond the Corporation's control. The supply and demand for Metal, the level of interest rates, the rate of inflation, investment decisions by large holders of Metal, including governmental reserves, and the stability of exchange rates can all cause significant fluctuations in Metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, and political developments.

Credit Risk
The Corporation's credit risk is primarily attributable to cash, input tax recoverable and trade receivables. Cash consists of funds on deposit in accounts with a Canadian Schedule I bank. Input tax recoverable consists of harmonized sales tax due from the Federal Government of Canada of $81 and value added tax from the Federal Government of Mexico of $7,519. Exposure on trade receivables is limited as all receivables are paid within 10 business days and are with one customer who the Corporation has a strong working relationship with. Management believes that the risk of loss with respect to financial instruments included in cash, input tax recoverable and trade receivables to be low.

Foreign Currency Risk
The Corporation's major purchases are transacted in Canadian dollars, US dollars, and Mexican Pesos. The Corporation funds certain operations, exploration and administrative expenses in Mexico using US dollar and Mexican Peso currency converted from its Canadian and US dollar bank accounts held in Canada. As GoGold Resources Inc., the parent corporation, has a functional currency of Canadian dollars, net liabilities held in US dollars are affected by foreign exchange fluctuations and will affect the Corporation's net loss. At March 31, 2016, GoGold Resources Inc. had net monetary liabilities in US dollars of $34,944 (September 30, 2015 – $25,369), for which a 10% appreciation in US exchange rates would affect net loss by approximately $3,494, which would then be offset by a corresponding gain recorded through foreign currency translation differences recorded through other comprehensive income. At March 31, 2016, the Corporation had net monetary assets in Mexican Pesos of approximately $586 (September 30, 2015 - $509), for which a 10% appreciation in Mexican Peso exchange rates would reduce net loss by approximately $59.

Interest Rate Risk
The Corporation has cash balances and interest-bearing debt. The Corporation's current policy is to invest excess cash in Canadian bank high interest savings accounts. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The long term debt as detailed in Note 6 bears interest based on the LIBOR rate, for which a 1% increase or decrease would result in an increase or decrease of annual interest expense of $360.

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 March 31, 2016, the Corporation had cash balances of $997 (September 30, 2015 - $2,721) for settling current liabilities of $8,215 (September 30, 2015 - $5,588). In addition to cash on hand, the Corporation has additional current assets including trade receivables of $2,515 which, combined with the cash flows from operations and the credit facility as detailed below, are sufficient to maintain liquidity in the Corporation.

The Corporation has funds available from the credit facility as detailed in Note 6. The Corporation's senior revolving credit facility has financial covenants (see Note 6), some of which are dependent on the financial results of the Corporation. Should the Corporation not achieve planned financial results, they may violate one or more covenants. In the event the Corporation exceeds any of the covenants under the credit facility, its ability to borrow funds may be restricted. As at March 31, 2016 the maximum the Corporation could draw without exceeding covenants was $800.

(d) Derivatives:

As at March 31, 2016, the Corporation held foreign exchange option contracts to protect against the risk of the Mexican Peso ("MXN") strengthening against the USD. The option contracts are zero-cost collars which settle monthly and are for the purchase of 8,000,000 MXN per month and the sale of USD at a call option per price of $1.00 USD to 15.80 MXN and a put option of $1.00 USD to 17.01 MXN. The contracts began on September 1, 2015 and expire on August 31, 2016. These contracts had a negative fair value of $84 as of March 31, 2016 (September 30, 2015 - $174), all of which has been recognized in net income.

11. COMMITMENTS

The Corporation, through its subsidiary Coanzamex, has an agreement which was renegotiated in the three months ending December 31, 2015 and finalized in January 2016 with the Municipality of Parral, Mexico ("Town") to mine and process tailings material for precious metal recovery. With the renegotiated agreement, the Corporation eliminated a 12% net profit royalty and increased the monthly royalty payment from $30 to a $48 per month royalty payment to the Town which increases based on the market average silver price. There are no other royalties due or payable on the project.

(Unaudited – in thousands of United States dollars unless otherwise stated)

The following table summarizes the minimum future financial commitments over the next five years to keep the San Diego, Parral, and Santa Gertrudis projects in good standing:

	2016	2017	2018	2019	2020
Land payments - San Diego	$ 25	$ 82	$ 98	$ -	$ -
Minimum royalty and land payments - Parral	655	1,150	1,150	1,150	1,150
Operational and sustaining capital requirements - Parral	3,101	-	-	-	-
Land payments - Santa Gertrudis	137	185	185	185	185
	$ 3,918	$ 1,417	$ 1,433	$ 1,335	$ 1,335