MANAGEMENT’S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2016

TABLE OF CONTENTS

Overview	**3**
Operational Update	**3**
Summary of Quarterly Results	**6**
Exploration and Evaluation Activities	**7**
Liquidity and Capital Resources	**9**
Contractual Obligations	**10**
Outstanding Share Data	**10**
Off-Balance Sheet Arrangements	**10**
Critical Accounting Estimates and Change in Accounting Policies	**11**
Financial Instruments and Other Risks	**11**
Non-IFRS Measures	**13**
Internal Controls over Financial Reporting	**15**
Future Outlook	**15**
Forward-Looking Statements	**15**
Technical Information	**16**
Other Information	**16**

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations is prepared as at February 8, 2017 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended December 31, 2016 and the notes thereto for GoGold Resources Inc. (the "Corporation"), as well as in conjunction with the Corporation's annual MD&A and audited consolidated financial statements for the year ended September 30, 2016.

The Corporation's unaudited condensed consolidated interim financial statements for the three months ended December 31, 2016 have been prepared in accordance with IAS 34 as issued by the International Accounting Standards Board. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in thousands of United States dollars ("USD"), with the exception of per ounce costs which are quoted in United States dollars. Additional information relevant to the Corporation's activities can be found on SEDAR at www.sedar.com.

This MD&A contains certain Forward-Looking Statements as disclosed on page 15 of this document.

OVERVIEW

GoGold Resources Inc. is a Canadian company principally engaged in the exploration, development, and production of gold and silver primarily in Mexico. The Corporation's common shares are listed on the Toronto Stock Exchange trading under the symbol GGD.

The Corporation's significant projects include the Parral Tailings Project ("Parral") located in the state of Chihuahua, Mexico, which is a producing project, and the Santa Gertrudis project located in the state of Sonora, Mexico. The Santa Gertrudis exploration project consists of a vat leach plant undergoing construction as part of a feasibility study, as well as a producing high grade material ("HGM") surface mining project. Construction on the vat leach plant for the feasibility study continues to progress, with forms in place and concrete ready to be poured for the vats.

OPERATIONAL UPDATE

During the quarter ended December 31, 2016 ("Q1 2017"), GoGold produced 403,545 silver equivalent ounces, an increase of 120% from the 183,488 silver equivalent ounces produced in the quarter ended September 30, 2016 ("Q4 2016"). The increase is attributed to production at the Santa Gertrudis HGM project which increased by 176,618 silver equivalent ounces from 26,852 in Q4 2016 to 203,482 in Q1 2017, as well as Parral's production increasing from 156,636 in Q4 2016 to 200,063 in Q1 2017.

Cash costs in Q1 2017 decreased to $6.70 per silver equivalent ounce, compared to $9.58 in Q4 2016. The decrease is attributed to the increase in the lower cost HGM ounces, which had an average cost of $4.43 in Q1 2017. All in sustaining costs ("AISC") per silver equivalent ounce decreased significantly, from $21.04 in Q4 2016 to $9.16 in Q1 2017, which is attributed mainly to the increase in production and ounces sold in the quarter, as well as a decrease in general and administrative expenses in the quarter compared to the prior quarter.

Following is a summary of the combined key performance indicators including both the Parral and HGM projects:

Combined key performance indicators:	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Gold production (oz)	784	1,382	2,218	1,643	4,249
Silver production (oz)	171,047	222,388	191,618	69,810	102,371
Silver equivalent production (oz)[1]	231,253	335,183	361,705	183,488	403,545
Cash cost (per silver equivalent oz)[2]	$ 6.54	$ 6.58	$ 6.36	$ 9.58	$ 6.70
AISC (per silver equivalent oz) [2]	$ 10.23	$ 9.25	$ 9.59	$ 21.04	$ 9.16

1. "Silver equivalent production" include gold ounces produced and sold converted to a silver equivalent based on a ratio of the average market metal price for each period. The ratio for each of the periods presented was: Q1 2016 – 77, Q2 2016 – 82, Q3 2016 – 74, Q4 2016 – 69, Q1 2017 - 71
2. Non-IFRS measure, reconciliation on page 13. All in sustaining costs is abbreviated as AISC.

Parral

During Q1 2017, Parral produced 200,063 silver equivalent ounces compared to 156,636 silver equivalent ounces in Q4 2016, which represents an increase of 28%. The increase in production is attributed to several changes made to the heap leach process in November 2016, which began to take effect in December 2016. Compared to Q1 2016, silver equivalent production is down 13%, which is attributed to the focus on the heap leach changes in Q1 2017, as well as the effects of the severe rainy season in Q4 2016, which caused production to rebound more slowly in Q1 2017 as compared to the effects of the Q4 2015 rainy season and the rebound in Q1 2016. Following are the heap leach changes completed in November 2016:

- Adjusting heap height from a single 10 metre lift to a multi-staged 4 metre lift;
- Increasing strength of cyanide solution;
- Increasing strength and consistency of agglomerated pellets being placed on the heap leach pad;
- Addition of liquid air to irrigated solution to increase oxygen levels in the heap;
- Commissioning of a sulphidization, acidification, recycling and thickening plant which will lower cyanide costs by recycling of cyanide within the process.

The Corporation stacked 233,699 tonnes on the heap leach pad at Parral in Q1 2017, compared to 332,628 tonnes stacked in Q4 2016. During the quarter, management focused on the above changes to the heap leach process which resulted in lower stacking. Additionally, material was stacked on some smaller remaining areas of the pad which required more movement of the stacking equipment, and as a result decreased the daily stack rate. Tailings tonnes placed on the leach pad are also down in Q1 2017 compared to the 332,076 stacked in Q1 2016 for the same reason.

The Corporation placed approximately 273,000 recoverable silver equivalent ounces on the heap leach pad in Q1 2017, as compared to approximately 416,000 recoverable silver equivalent ounces on the leach pad in Q4 2016. The decrease is attributed predominantly to the decrease in tonnage stacked as discussed in the previous paragraph. Similarly, recoverable ounces are lower compared to Q1 2016 where 439,000 recoverable ounces were stacked.

Cash costs per silver equivalent ounce increased from $7.50 in Q4 2016 to $8.61 in Q1 2017. The increase is attributed mainly to two factors: lower recoverable silver ounces stacked in the quarter, as well as the increased strength of cyanide. The gross cost of cyanide increased 10% in Q1 2017 as compared to Q4 2016, which is a result of using more in the quarter to increase the strength, as the cost per kilogram of cyanide has not changed. As there were significantly less recoverable ounces stacked on the pad in the quarter, and gross costs increased, it resulted in an increase in the cash cost per ounce. It is management's expectation that stacking will increase in the upcoming quarter ending March 31, 2017 and silver equivalent cash cost per ounce should be in the $8 range.

Following are some key performance indicators of Parral's operations:

Parral key performance indicator:	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Total tailing tonnes placed on leach pad	332,076	538,965	631,219	332,628	233,699
Recoverable silver equivalent ounces stacked[1]	439,000	615,000	776,000	416,000	273,000
Gold production (oz)	784	1,382	2,218	1,260	1,539
Silver production (oz)	171,047	222,388	191,618	69,358	91,022
Silver equivalent production (oz)[1]	231,253	335,183	361,705	156,636	200,063
Cash cost (per silver equivalent oz)[2]	$ 6.54	$ 6.58	$ 6.36	$ 7.50	$ 8.61
Cash cost (per silver oz)[2]	$ 4.25	$ 2.42	$ (2.59)	$ (5.20)	$ (0.62)
AISC (per silver equivalent oz) [2]	$ 10.23	$ 9.25	$ 9.59	$ 21.24	$ 13.14

1. "Silver equivalent production" include gold ounces produced and sold converted to a silver equivalent based on a ratio of the average market metal price for each period. The ratio for each of the periods presented was: Q1 2016 – 77, Q2 2016 – 82, Q3 2016 – 74, Q4 2016 – 69, Q1 2017 - 71
2. Non-IFRS measure, reconciliation on page 13. All in sustaining costs is abbreviated as AISC.

Santa Gertrudis High Grade

In September 2016, GoGold began toll milling high grade material ("HGM") from the Santa Gertrudis property located at the Greta deposit. The ore located at surface contained high grade gold and is being mined and shipped to a mill near Parral, where it is milled under a toll milling arrangement. Precipitate from the mill is then shipped to the Corporation's Parral project where it is smelted into doré bars and then shipped to a refinery. As the ore is processed under a toll milling arrangement, there were no developmental costs incurred and the project was deemed to have entered commercial production upon commencement.

During the quarter ending December 31, 2016, a total of 2,710 ounces of gold and 11,349 ounces of silver were produced, for a total of 203,482 silver equivalent ounces. This is a significant increase from Q4 2016, as the project had just begun in September 2016. Q4 2016 production was 383 ounces of gold and 452 ounces of silver produced, for a total of 26,852 silver equivalent ounces. Cash costs decreased significantly from $20.03 per silver equivalent ounce in Q4 2016 to $4.43 in Q1 2017 which is attributed to the increased production, as well as there being some initial project costs in September which were expensed. As this is a non-IFRS measure, a reconciliation is provided on page 13. Management expects costs to remain in the $4-$5 per silver equivalent ounce for the duration of the HGM project.

On October 19, 2016, GoGold released the results of a trenching program at the HGM project to provide additional information around the mineralization of the ore body. Highlights of the program included 18 metres of 32.8 g/t gold found at surface.

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SUMMARY OF QUARTERLY RESULTS

Quarter ending	Revenue	Cost of Sales	General and Administrative	Net Income (Loss)	Total Assets	Shareholder's Equity	Net Income (Loss) per Share
Dec 31, 2016	$ 6,856	$ 3,680	$ 1,001	$ 662	$ 141,739	$ 88,525	$ .00
Sep 30, 2016	2,654	1,811	1,590	(1,291)	140,651	88,098	(.01)
Jun 30, 2016	5,965	3,528	1,110	208	135,718	89,001	.00
Mar 31, 2016	5,081	3,532	918	(17,105)	129,906	82,710	(.10)
Dec 31, 2015	3,001	2,176	1,093	(2,349)	143,887	101,970	(.01)
Sep 30, 2015	5,023	3,134	554	(2,323)	140,596	103,856	(.02)
Jun 30, 2015	7,459	3,561	992	2,114	138,416	108,002	.01
Mar 31, 2015	39	23	1,054	(3,563)	138,723	107,344	(.02)
Dec 31, 2014	-	-	992	(2,030)	143,669	109,586	(.01)

In Q1 2017, revenue of $6,856 was recorded which consists of 413,941 silver equivalent ounces sold at an average realized price of $16.56. In Q4 2016, revenue of $2,654 was recorded on the sale of 139,948 silver equivalent ounces at an average realized price of $18.96. The increase in revenue is attributed to the increased production, which as previously discussed is related predominantly to the increase in HGM production. In Q1 2017, 188,951 silver equivalent ounces were sold related to HGM production, compared to 23,200 silver equivalent ounces sold in Q4 2016. The decrease in average realized price of 13% is comparable to the decrease in market silver price, which decreased by 12% from Q4 2016 to Q1 2017. Revenue in Q1 2016 was $3,001, which was attributed to the sale of 219,292 silver equivalent ounces which were all produced at Parral, these were sold at an average realized price of $13.68.

Cost of sales in Q1 2017 were $3,680, which consists of cash production costs of $2,773 and amortization and depletion of $907. This compares to cost of sales in Q4 2016 of $1,811, which consists of amortization and depletion of $470 and cash production costs of $1,341. Cash costs per silver equivalent ounce decreased significantly in the current quarter, from $9.58 in Q4 2016 to $6.70 in Q1 2017, which is explained on page 3. The increase in amortization and depletion from Q4 2016 to Q1 2017 is attributed to the increase in ounces sold in the quarter at Parral, which was approximately a 93% increase, which is the same as the increase in amortization and depletion. As the HGM project is a contract milling project, there is very little amortization and depletion associated with it, so there is not an increase in amortization and depletion associated with the increased revenues associated with that project. Cost of sales in Q1 2016 were $2,176, consisting of cash costs of $1,433 and amortization and depletion of $743. Cash costs per ounce were lower in Q1 2016 at $6.54 due to higher grade material which was being processed at the time.

General and administrative expenses during the quarter ending Q1 2017 were $1,001 compared to $1,590 Q4 2016. The decrease is attributed primarily to a decrease in professional fees of $249, as well as decreases in stock based compensation expense of $48, promotion and marketing costs of $41, and regulatory fees of $37. Compared to general and administrative costs of $1,093 during Q1 2016, expenses are down by $92 which is attributed to a severance expense of $298 in Q1 2016 associated with senior management changes at the time, this is offset by increases in other areas including stock based compensation of $72, promotion of $35, and a number of smaller items.

In Q1 2017, GoGold generated net income of $662, compared to a net loss of $1,291 in Q4 2016. The biggest factor in the increase is operating income of $2,175 in Q1 2017 compared to an operating loss of $747 in the prior quarter. Other variances between the two quarters include a change in gain on derivative liability from a loss of $796 in Q4 2016 to a gain of $163 in Q1 2017, which is attributed to the initial recognition of the embedded derivative in the contract with the town of Parral in Q4 2016, and the subsequent gain due to the decrease in the market silver price in Q1 2017. Also included is a change in tax expense – from a recovery of $1,545 in Q4 2016 to an expense of $719 in Q1 2017. The change is attributed to the profitability of the

entity which operates the Parral project – as the project generated significant profits in the Q1 2017, there was an associated tax expense along with it. Foreign exchange losses and finance costs were comparable between quarters. The $2,349 net loss in Q1 2016 consisted mainly of an operating loss of $268, foreign exchange losses of $1,307, finance costs of $357, and income tax expense of $446.

Shareholders' equity increased from $88,098 in Q4 2016 to $88,525 in Q1 2017 largely as a result of the net income of $662, with the remaining $333 decrease attributed to foreign currency translation differences recorded through other comprehensive loss. The increase of $1,088 in total assets from $140,651 in Q4 2016 to $141,739 in Q1 2017 is attributed to an increase in inventories of $3,168 as the Corporation continues to stack more material on the heap leach pad than is being depleted from production. This is partially offset by decreases to property, plant and equipment of $983 attributed to amortization and depletion, as well as decreases to exploration and evaluation assets of $738 as explained in the following section. Also in the quarter, the Corporation reviewed its estimates associated with the current versus long term assessment of the in process inventory which resulted in an increase in long term inventory at Q1 2017 as compared to Q4 2016.

EXPLORATION AND EVALUATION ACTIVITIES

The following table summarizes the exploration and evaluation costs incurred for the year on the Corporation's significant projects:

	San Diego	Santa Gertrudis
Cost at September 30, 2016	$ 213	$ 17,897
Additions	6	401
Foreign exchange adjustments	(13)	(1,132)
Cost at December 31, 2016	$ 206	$ 17,166

Santa Gertrudis Project

The Corporation's main exploration and evaluation project is currently the Santa Gertrudis project, located in Sonora, Mexico with management continuing to advance Santa Gertrudis to reestablish production. During Q4 2016, the HGM project achieved commercial production, see page 3 for discussion of this project which is located on the Santa Gertrudis property.

In October 2016, the Corporation began the construction of a vat leach plant, which is designed to treat ore at a rate of approximately 2,000 tonnes per day. This will allow field evaluation of the many ore types and deposits on the property which will aide in improving the operating process. The results of these large-scale tests will in turn provide input to an updated feasibility study of the property. The Corporation believes the scale of the proposed initial plant will allow sufficient cash flow to cover the full cost of the plant and the feasibility study program. Following expected successful evaluation, the project can then be easily scaled up by adding additional vats to achieve expected full commercial operation. Construction continues to proceed on the project, with the $401 in costs associated with the Santa Gertrudis project related to the construction of the initial vats. In Q1 2017, there are also foreign exchange translation losses of $1,132 as the Santa Gertrudis operation's functional currency is Mexican pesos which devalued significantly against the US dollar in the current period.

The Corporation's Pre-Economic Assessment ("PEA") on the Santa Gertrudis property that upgraded the previous historic resource estimate to 810,000 ounces of gold indicated (23.3 Mt at 1.08 g/t gold) and 255,000 ounces gold inferred (7.7 Mt at 1.02 g/t gold) was released in September 2014 and was based on heap leaching technology. GoGold has since performed further preliminary metallurgical testing which indicated that

cyanide vat leaching could be a viable alternative to conventional heap leaching with achieved vat gold recoveries in the low 80% range.

While the leaching mechanism is similar, the primary difference between heap and vat leaching is that heap leaching occurs on large pads which are exposed to the weather elements whereas vat leaching occurs in smaller, more controlled batches in concrete vats. Additional advantages to the method include lower investment risk, faster project development, more flexible processing, quicker revenue generation, increased gold recoveries, and lower environmental footprint. As a result, management has opted to proceed with construction of a vat leach test facility.

On September 28, 2015 the Corporation announced that Santa Gertrudis continues to deliver numerous high grade gold intercepts in the proposed open pit zones. Highlights of the new holes drilled include intersects of 17 metres of 5.35 g/t gold in the Dora pit, 8 meters of 18.71 g/t gold including 5 metres of 29 g/t gold drilled at the Greta Ontario zone, and 13.7 Metres of 3.22 g/t gold in the Corral pit. The drilling was designed to confirm historic mineralization and tested targets in the immediate vicinity of the open pit resource in the PEA, which was released in September 2014, as discussed below.

On May 5, 2015, the Corporation announced that it had drilled numerous high grade gold drill holes in the proposed open pit zones at the Santa Gertrudis project. Significant drill holes include intercepts of 8.80 g/t gold over 37.6 metres as well as 6.79 g/t gold over 38.4 metres, which confirm the down dip high grade extension at the Dora Pit structure and also confirms that the oxide zone continues below the previously thought depth of the oxide mineralization. These holes confirmed the higher grades at the Dora structure and identified the material as mostly oxide. The past mining of the oxide material located immediately above this intercept had reported 75% recoveries on a conventional heap leach with a crush size of four inches. Additionally, other significant holes have been drilled at the Corral zone and Cristina zone with highlights that include 17 metres of 3.58 g/t gold at Corral and 31.4 metres of 1.18 g/t gold at Cristina. These three targets have been identified as the initial pits the Corporation could restart mining and should represent the first four years of feed.

The Santa Gertrudis project contains several former producing gold mines. As a past producer, the Santa Gertrudis Project has infrastructure in place including numerous pits already worked with haul roads in place to facilitate the commencement of mining activities. Approximately 565,000 ounces of gold were produced in the district from what is now part of the property between 1991 and 2000. A total of 8,244,000 tonnes at an average recovered grade of approximately 2.13 g/t gold were open pit mined from 22 sedimentary-rock-hosted, disseminated gold deposits. The Corporation acquired a 100% interest in the project when they purchased Animas Resources Ltd. in 2014.

San Diego Project

The San Diego project is located in Durango, Mexico. The property is 100% held by Minera Durango Dorada S.A. de C.V., which is a wholly-owned subsidiary of the Corporation. The project contains multiple geological exploration targets on which the Corporation has performed work, and numerous unexplored targets remain, providing potential for long term exploration upside. This well-established mining region features supportive local inhabitants, cooperative local and district governments, and existing infrastructure including local workforce, power to property, road access, accommodations and water.

In the quarter ending March 31, 2016 there was a change in senior management of the Corporation with the appointment of a new CEO and a new COO, and as a result all projects and assets were reviewed by management. As a result of this review, the Corporation has dropped the claims from two of the deposits on the San Diego property (Chispa and Las Europas) and only retained the claims for the Breccia Hill deposit. Management determined that the cash flows associated with maintaining the claims on these deposits would be better used on other assets and operations of the Corporation.

As 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 potential impairment, and accordingly an impairment test on the property was completed. An analysis of properties in similar stages was undertaken to determine a market multiple expressed as dollar per gold equivalent ounce in resource. This multiple was then applied to the San Diego property which provided a fair market value of $218, as of March 31, 2016. Subsequent small additions and foreign exchange adjustments resulted in a balance of $206 at December 31, 2016.

LIQUIDITY AND CAPITAL RESOURCES

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, debt, and funds from operations. 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.

Working Capital

A summary of the Corporation's working capital is as follows:

	Dec 31, 2016	Sept 30, 2016
Current assets	$ 23,598	$ 29,662
Current liabilities	11,977	48,703
Working capital (deficiency)	$ 11,621	$ (19,041)

At September 30, 2016, the Corporation had a working capital deficiency of $19,041, which improved to a working capital position of $11,621 as of December 31, 2016. As explained further in the debt section below, the debt outstanding on the senior revolving credit facility was required to be classified as a current liability at September 30, 2016 as certain financial covenants of the debt agreement were violated for which a conditional waiver was obtained. The waiver conditions were met as of November 3, 2016, and the debt was reclassified to non-current in the current quarter. The Corporation's forecasts use various assumptions and estimates which are subject to fluctuation. Management expects the current amount of working capital, funds from ongoing operations, and the available funds from the credit facility to be sufficient to fund the operations of the Corporation.

Debt

On July 21, 2015, the Corporation entered into a $50,000 senior revolving credit facility with a Canadian chartered bank ("the Bank"). The facility bears interest at LIBOR plus 2.00% to 3.25%, depending on the leverage ratio of the Corporation, 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. The credit facility is secured by a first charge over all the Corporation's assets.

The credit facility has covenants that include a debt 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), an interest coverage ratio (defined as the ratio of EBITDA to interest expense), and a minimum level of tangible net worth of $65.6 million plus 50% of aggregate net income from April 1, 2015 and onward.

On December 18, 2015 and June 29, 2016, the Bank 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 May 10, 2016 the Bank amended the credit facility to reduce the tangible net worth covenant requirement by the

amount of an impairment taken on the San Diego property. On November 17, 2016, the Bank amended the credit facility by resetting the rolling four quarters as of December 31, 2016 in the calculation of the debt leverage ratio and interest coverage ratio. For the quarter ending December 31, 2016, the calculation is based on the current quarter's EBITDA and multiplied by four, for the quarter ending March 31, 2017, the calculation will be based on the year to date EBITDA multiplied by two, and for the quarter ending June 30, 2017, the calculation will be based on the year to date EBITD multiplied by four and divided by three.

The Corporation is required to ensure at all times that the debt leverage ratio, determined on a rolling four quarter basis, does not exceed 3.5 to 1, and the interest coverage ratio, defined as the ratio of EBITDA to interest expense, determined on a rolling four quarter basis equals or exceeds 4.5 to 1. At December 31, 2016, the Corporation was in compliance with the financial covenants of the credit facility.

During the three months ended December 31, 2016, the Corporation drew $2,000 (2015 - $4,000) under the facility. As of December 31, 2016, the Corporation had drawn $37,500 (September 30, 2016 - $35,500). In the event the Corporation is not in compliance with any of the covenants under the credit facility, its ability to borrow funds may be restricted or the Bank may demand repayment.. Subsequent to quarter end, the Corporation drew an additional $5,000 on the facility.

CONTRACTUAL OBLIGATIONS

A summary of the Corporation's contractual obligations at December 31, 2016 is as follows:

	2017	2018	2019	2020	2020
Land payments - San Diego	$ 50	$ 50	$ -	$ -	$ -
Minimum royalty and land payments - Parral	755	1,006	1,006	1,006	1,006
Land payments - Santa Gertrudis	180	180	180	180	180
Debt principal payments	-	37,500	-	-	-
Trade and other payables	11,673	-	-	-	-
	$ 12,658	$ 38,736	$ 1,186	$ 1,186	$ 1,186

OUTSTANDING SHARE DATA

As at December 31, 2016, the Corporation had a total of 171,376,481 common shares with a carrying amount of $140,885, 4,025,000 stock options, and 4,480,539 warrants issued and outstanding. Comparative figures for September 30, 2016 were 171,376,481 common shares with a carrying amount of $140,885, and 4,025,000 stock options, and 4,480,539 warrants issued and outstanding.

As of the date of this document, the Corporation has 171,376,481 common shares outstanding and 179,882,020 fully diluted shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this document, the Corporation had no material off-balance sheet arrangements.

Critical Accounting Estimates and Change in Accounting Policies

Accounting Estimates

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

The critical estimates and judgments applied in the preparation of the Corporation's Condensed Consolidated Financial Statements for the three months ended December 31, 2016 are consistent with those applied and disclosed in the Corporation's Consolidated Financial Statements for the year ended September 30, 2016. For details of these estimates and judgments please refer to the Corporation's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended September 30, 2016, which are available on the Corporation's website at www.gogoldresources.com or on SEDAR at www.sedar.com.

Change in Accounting Policies

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

Financial Instruments and Other Risks

Financial Instruments

The fair values of the Corporation's financial instruments are considered to approximate the carrying amounts. Levels 1 to 3 fair values 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).

The following table provides the disclosures of the fair value and the level in the hierarchy for financial instruments recorded at fair value:

(in thousands USD)	**December 31, 2016**		**September 30, 2016**	
	Level 1	Level 2	Level 1	Level 2
Cash	$ 374	-	$ 2,091	-
Financial liabilities at fair value through profit and loss:				
Derivative liabilities	-	$ 701	-	$ 867

For derivative contracts, the Corporation obtains a valuation of the contracts from counterparties of those contracts or performs valuations internally. 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.

Risk

There were no changes in the Corporation's exposure to risks and other uncertainties, including those related to the mining industry in general or as described in the Corporation's Annual Information Form for the year ended September 30, 2016, during the first three months of fiscal 2017. Additional detail on risks and uncertainties is discussed in the Corporation's Annual Information Form dated December 14, 2016, 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.

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. Input tax recoverable consists of harmonized sales tax due from the Federal Government of Canada of $64 and value added tax from the Federal Government of Mexico of $8,079. Exposure on trade receivables is limited as all receivables are collected within 10 business days and are with customers who the Corporation has strong working relationships with. Management believes that the risk of loss with respect to financial instruments consisting of 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 income or loss. At December 31, 2016, GoGold Resources Inc. had net monetary liabilities in US dollars of $37,211 (September 30, 2016 – $33,477), for which a 10% change in US exchange rates would affect net income by approximately $3,721, which would then be offset by a corresponding change recorded through foreign currency translation differences recorded through other comprehensive income or loss. At December 31, 2016, the Corporation had net monetary liabilities in Mexican Pesos of approximately $2,423 (September 30, 2016 - $2,476), for which a 10% change in Mexican Peso exchange rates would change net income by approximately $242.

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 long term debt as detailed on page 9 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 $375.

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 December 31, 2016, the Corporation had cash balances of $374 (September 30, 2016 - $2,091) for settling current liabilities of $11,977 (September 30, 2016 - $48,703). Current liabilities at September 30, 2016 included $35,077 of debt which was classified as current at September 30, 2016 as the Corporation was in violation of a covenant at that date. As the covenants were met at December 31, 2016, the debt has been reclassified as long term. .

The Corporation's senior revolving credit facility has financial covenants (page 9), which are dependent on the financial results of the Corporation. Should the Corporation not achieve planned financial results, it may violate one or more covenants. The Corporation has been able to arrange for amendments to financial covenants during the current quarter in order to remain in compliance with the terms of the facility. In the event the Corporation violates any of the covenants under the credit facility and is unable to obtain amendments or waivers from the lenders in the future, its ability to borrow funds may be restricted or the lenders may demand repayment.

Derivatives

As at December 31, 2016, the Corporation held foreign exchange collar option contracts to protect against the risk of the Mexican Peso ("MXN") strengthening against the USD within a certain range. The option contracts settle monthly and are for the purchase of 10,000,000 MXN per month and the sale of USD at a call option price of $1.00 USD to 19.00 MXN and a put option of $1.00 USD to 20.26 MXN. The contracts were entered into on September 16, 2016 and began on October 1, 2016 and expire on September 29, 2017. The Corporation had similar contracts during the prior year for the purchase of 8,000,000 MXN per month and the sale of USD at a call option price of $1.00 USD to 15.80 MXN and a put option of $1.00 USD to 17.01 MXN which began on September 1, 2015 and expired on August 31, 2016. These contracts had a negative fair value of $227 as of December 31, 2016 (September 30, 2016 - $63), all of which has been recognized in net income.

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 to the Town which increases based on the market average silver price. As the monthly royalty payment increases based on the market average silver price, from a minimum of $48 per month to a maximum of $88 per month, this is accounted for as an embedded derivative liability. The fair value of the liability has been accounted for using a Monte Carlo simulation based on the spot price of silver at December 31, 2016 of $16.24 (September 30, 2016 of $19.48), as well as the historical volatility of silver market prices. The fair value of the liability under this method at December 31, 2016 was $474 (September 30, 2016 - $804).

NON-IFRS MEASURES

The following provides a reconciliation of cash cost per silver equivalent ounce, cash cost per silver ounce net of gold credits, and all in sustaining costs per silver equivalent ounce to the consolidated financial statements. Cash costs and all in sustaining costs are calculated in line with guidance provided by the World Gold Council. These non-IFRS measures are used as these terms are typically used by mining companies to assess the level of gross margin available by subtracting these costs from the unit price realized during the period. These non-IFRS terms are also used to assess the ability of a mining company to generate cash flow from operations. There may be some variation in the method of computation of these metrics as determined by the Corporation compared with other mining companies.

Cash Cost Reconciliation - Combined	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Production costs, except amortization and depletion[1]	$ 1,433	$ 2,295	$ 2,220	$ 1,341	$ 2,773
Silver equivalent ounces sold	219,292	348,991	348,747	139,948	413,941
Cash cost per silver equivalent ounce, Combined	**$6.54**	**$6.58**	**$6.36**	**$9.58**	**$6.70**
Total cash costs, per above	1,433	2,295	2,220	1,341	2,773
General and administrative costs[2]	795	918	1,110	1,590	1,001
Accretion expense	15	14	15	14	18
All in sustaining costs	2,243	3,227	3,345	2,945	3,792
Silver equivalent ounces sold	219,292	348,991	348,747	139,948	413,941
AISC per silver equivalent ounce, Combined	**$10.23**	**$9.25**	**$9.59**	**$21.04**	**$9.16**

1. In Q4 2016, an adjustment was made to heap leach stacked grades which decreased production costs in Q2 2016 by $69 compared to the Q2 2016 quarterly financial statements and a decrease of $192 in Q3 2016 compared to the Q3 2016 quarterly financial statements.
2. Excludes one-time material severance charges of $298 in Q1 2016.

Cash Cost Reconciliation - Parral	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Production costs, except amortization and depletion[1]	$ 1,433	$ 2,295	$ 2,220	$ 1,341	$ 2,773
Production costs attributed to HGM project	-	-	-	(465)	(836)
Total cash costs, Parral[1]	1,433	2,295	2,220	876	$ 1,937
Silver equivalent ounces sold	219,292	348,991	348,747	116,748	224,990
Cash cost per silver equivalent ounce, Parral	**$6.54**	**$6.58**	**$6.36**	**$7.50**	**$8.61**
Total cash costs, per above	1,433	2,295	2,220	876	1,937
Gold sales	(729)	(1,740)	(2,713)	(1,158)	(1,999)
Total cash costs, net of gold sales	704	555	(493)	(282)	(62)
Silver ounces sold	165,801	229,372	189,993	54,272	100,675
Cash cost per silver ounce, net of gold credits, Parral	**$4.25**	**$2.42**	**$(2.59)**	**$(5.20)**	**$(0.62)**
Total cash costs, per above	1,433	2,295	2,220	876	1,937
General and administrative costs[2,3]	795	918	1,110	1,590	1,001
Accretion expense	15	14	15	14	18
All in sustaining costs	2,243	3,227	3,345	2,480	2,956
Silver equivalent ounces sold[2]	219,292	348,991	348,747	116,748	224,990
AISC per silver equivalent ounce, Parral	**$10.23**	**$9.25**	**$9.59**	**$21.24**	**$13.14**

1. In Q4 2016, an adjustment was made to heap leach stacked grades which decreased production costs in Q2 2016 by $69 compared to the Q2 2016 quarterly financial statements and a decrease of $192 in Q3 2016 compared to the Q3 2016 quarterly financial statements.
2. Excludes one-time material severance charges of $298 in Q1 2016.
3. All general and administrative costs have been allocated to the Parral project, as no additional general and administrative costs were associated with the HGM project since its inception.

Cash Cost Reconciliation – Santa Gertrudis HGM	Q4 2016	Q1 2017
Production costs, except amortization and depletion	$ 1,341	$ 2,773
Production costs attributed to Parral	(876)	(1,937)
Total cash costs, Santa Gertrudis HGM	465	836
Silver equivalent ounces sold	23,200	188,951
Cash cost per silver equivalent ounce, HGM	**$20.03**	**$4.43**

Cash cost per silver ounce, net of gold credits is not included as a non-IFRS measure for HGM as the project mainly produces gold, and as a result the metric is not a reasonable measure.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

FUTURE OUTLOOK

The Corporation intends to focus on increasing production at Parral, constructing the vat leach facility at Santa Gertrudis and continue processing ore from the HGM project. As well, the Corporation intends to continue investigating projects that meet its criteria of being advanced, capable of producing at a low all-in cost and of being developed in a short time frame.

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, the Corporation's plans for its mineral projects, and reference to the Corporation's internal forecasts. 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 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, 2016, 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.

TECHNICAL INFORMATION

Mr. Terence F. Coughlan, P.Geo, Chairman of the Board of Directors 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.

OTHER INFORMATION

Additional information regarding the Corporation, including the Corporation's Annual Information Form dated December 14, 2016, is available on SEDAR at www.sedar.com.

Dated: February 8, 2017