MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended March 31, 2018

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This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations is prepared as at May 9, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2018 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, 2017.

The Corporation's unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2018 have been prepared in accordance with IAS 34. 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 11 of this document, and Non-IFRS measures including cash cost per silver ounce, cash cost per silver equivalent ounce, all in sustaining cost ("AISC"), adjusted cash cost per silver ounce, adjusted cash cost per silver equivalent ounce, and adjusted AISC which are reconciled to IFRS on page 10 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 operates the Parral Tailings Project ("Parral") located in the state of Chihuahua, Mexico, and sold the Santa Gertrudis project "Santa Gertrudis", located in the state of Sonora, Mexico, on November 2, 2017 for a pre-tax gain of $54 million.

STRATEGIC UPDATE

The Corporation sold Santa Gertrudis on November 2, 2017 to Agnico Eagle Mines Limited ("Agnico") for cash consideration, net of transaction costs, of $76,770, which resulted in a pre-tax gain, after deducting the $22,919 net carrying value of the assets and excluding $493 of transaction costs expensed in the year ending September 30, 2017, of $54,344 on the project which was initially acquired in 2014. The Corporation retained a 2% net smelter royalty on the Santa Gertrudis property, for which no value has been ascribed in the transaction. The proceeds of the sale were used to repay in full the $46,500 senior revolving credit facility and the $7,500 term loan, and interest of $196. The completion of the transaction leaves the Corporation with a debt free balance sheet which positions the Corporation well as the Parral Tailings project ramps up to its full production potential. The Corporation is actively pursuing other opportunities in Mexico.

OPERATIONAL UPDATE

During the quarter ended March 31, 2018 ("Q2 2018") the Corporation produced a record 417,191 silver equivalent ounces at Parral, which is a 6% increase from the prior quarter, which was comprised of 265,629 ounces of silver and 1,908 ounces of gold. Q2 2018 was the sixth consecutive quarter of production growth as the initiatives put in place in previous quarters continue to return positive results.

During the quarter, the Corporation stacked a total of 439,376 tonnes of material, an average of 4,878 per day, of which 193,516 tonnes were fresh tailings and 245,860 tonnes were reprocessed material. This is an increase of 37% over the average stacking rate from the immediately preceding 12 month period where the average stacking rate was 3,548 tonnes per day. Material was reprocessed as the quality of the previously stacked agglomerate was poor which resulted in poor flow rates when leaching material. To decrease the recovery time, the Corporation reagglomerated and restacked the material on the leach pad using the same methodology that has been used to stack material with improved results. The reprocessing was completed in February.

The Corporation was successful in stacking a second lift on the leach pad for the first time in Q2 2018, at similar daily stacking rates to the first lift. Leaching of the second lift also allows for residual leaching of the original bottom stacked materials. Management foresees an increase in production in future quarters due to the increased stacking rate, fresh tailings coming under leach, as well as the residual leaching from the first lift.

Parral

Following are key performance indicators of Parral's operations:

Parral key performance indicator:	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	YTD 2017	YTD 2018
Tailing tonnes placed on leach pad	360,326	293,047	122,717	-	193,516	594,025	193,516
Tailings rehandled	-	-	157,000	361,934	245,860	-	607,794
Total tonnes placed	360,326	293,047	279,717	361,934	439,376	594,025	801,310
Recoverable silver equivalent ounces stacked[1,2]	425,000	356,000	162,000	-	220,000	698,000	220,000
Gold production (oz)[3]	2,008	2,137	2,021	1,708	1,908	3,547	3,616
Silver production (oz)[3]	137,606	145,467	149,025	261,693	265,629	228,628	527,322
Silver equivalent production (oz)[1,3]	278,230	301,539	324,726	392,406	417,191	478,293	809,597
Cash cost (per silver equivalent oz)[4]	$ 9.00	$ 9.62	$ 38.88	$ 11.69	$ 10.67	$ 8.82	$ 11.20
Adjusted cash cost (per silver equivalent oz)[4,5]	$ 9.00	$ 9.62	$ 10.18	$ 11.18	$ 10.67	$ 8.82	$ 10.94
Cash cost (per silver oz)[4]	$ 0.75	$ 2.24	$ 58.52	$ 8.73	$ 7.47	$ 0.14	$ 8.11
Adjusted cash cost (per silver oz)[4,5]	$ 0.75	$ 2.24	$ 4.03	$ 7.90	$ 7.47	$ 0.14	$ 7.69
AISC per silver equivalent ounce[6]	$ 12.18	$ 20.17	$ 55.48	$ 15.25	$ 15.95	$ 12.54	$ 15.58
Adjusted AISC per silver equivalent ounce[5,6]	$ 12.18	$ 20.17	$ 26.79	$ 14.74	$ 15.95	$ 12.54	$ 15.31

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: Q2 2017 – 71, Q3 2017 – 74, Q4 2017 – 76, Q1 2018 – 78, Q2 2018 – 79.
2. Excluding ounces included in rehandled tailings.
3. Q3 2017 and Q4 2017 production figures were adjusted based on final assays obtained in Q1 2018.
4. Non-IFRS measure, reconciliation on page 10.
5. In Q4 2017, an adjustment of $7,652 to the net realizable value of inventory was charged to cash production costs. In Q1 2018, an adjustment of $187 was made. For comparability purposes, adjusted costs are calculated excluding this adjustment.
6. All in sustaining costs ("AISC") are calculated excluding the discontinued Santa Gertrudis HGM to better reflect AISC associated with continuing operations. AISC including discontinued operations was $11.76 in Q2 2017 and $10.41 YTD 2017.

During the quarter ending March 31, 2018, Parral produced 417,191 silver equivalent ounces compared to 278,230 silver equivalent ounces in the quarter ending March 31, 2017 ("Q2 2017"), an increase of 50%. Production has increased quarterly since management implemented measures in 2017 focusing on higher quality agglomerated material, as well as stacking material at a lower lift height among other production enhancing measures. Production for the six months ended March 31, 2018 ("YTD 2018") is 809,597 silver equivalent ounces, a 69% increase from the six months ended March 31, 2017 ("YTD 2017"). The Corporation expects to see continued increases in production in the near term.

Stacking rates at Parral have improved over the last 3 quarters, with YTD 2018 total stacking at 801,310 tonnes, compared to 594,025 tonnes YTD 2017. The increase in stacked material will help with future production, along with the completion of the rehandling program and the return to stacking fresh tailings which have a higher grade of both gold and silver. The decrease in recoverable silver equivalent ounces, both on a quarterly and a year-to-date basis, is attributed to the rehandling program.

In Q2 2018, cash costs per silver equivalent ounce were $10.67 compared to $9.62 in Q2 2017. The increase in cost per ounce is mainly attributed to the decrease in recoverable ounces placed, as there were fewer new tailings stacked in Q2 2018 while old material was rehandled. As there are a number of fixed operating expenses attributed to the project, a decrease in the recoverable ounces placed results in an increase in the cost per ounce. Consistent with Q1 2018, the operation is also consuming more cement per ounce produced in Q2 2018 compared to Q2 2017, as more cement has been added to the agglomeration process to ensure appropriate agglomeration quality is achieved. The trend is similar with YTD 2017 cash costs of $8.82 increasing to $11.20 in 2018, as well 2018 includes $187,000 in net realizable value adjustments on the inventory amount.

All in sustaining costs in Q2 2018 were $15.95, compared to $12.18 in Q2 2017. The increase is attributed principally to an increase in general and administrative costs, from $281 in Q2 2017 to $1,083 in Q2 2018 which is explained further below, as well as the increase in cash costs. For the six months ended March 31, 2018, AISC was $15.58, compared to $12.54 in 2017, which is a function of the increased cash costs and increased general and administrative costs and sustaining capital.

SUMMARY OF QUARTERLY RESULTS

Quarter ending	Revenue	Cost of Sales	General and Admin.	Net Income (Loss) from Continuing Operations	Net Income (Loss) from Discontinued Operations	Net Income (Loss)	Shareholder's Equity	Net Income (Loss) per Share
Mar 31, 2018	$ 5,403	$ 5,030	$ 1,083	$ (41)	$ -	$ (41)	$ 130,458	$ (0.00)
Dec 31, 2017	5,832	6,066	1,041	(1,663)	31,698	30,035	130,808	0.18
Sep 30, 2017	4,444	13,183	1,488	(1,361)	(140)	(1,501)	87,826	(0.00)
Jun 30, 2017	4,651	3,925	902	985	(1,340)	(355)	90,152	(0.00)
Mar 31, 2017	4,276	3,254	263	(94)	704	610	90,694	0.00
Dec 31, 2016	3,674	2,818	956	(932)	1,594	662	88,525	0.00
Sep 30, 2016	2,220	1,346	1,589	(1,253)	(38)	(1,291)	88,098	(0.01)
Jun 30, 2016	5,965	3,528	1,059	243	(35)	208	89,001	0.00

In Q2 2018, the Corporation recorded revenue of $5,403 on 337,821 silver equivalent ounces sold at an average realized price of $15.99, compared to sales of $4,276 on 255,017 ounces at a price of $16.77 in Q2 2017. The increase in ounces sold follows the increase in production, while the decrease in price is attributed to the decrease in market price of silver, which decreased from $17.42 in Q1 2017 to $16.77 in Q2 2018. The Corporation produced 417,191 ounces in the current quarter while it had sales of 337,821, with the difference attributed to an increase in ounces awaiting settlement at the refinery, which are recorded as finished goods inventory in the financial statements. There were delays in receiving final settlements on ounces at the refinery due to differences in assays between the Corporation and the refinery operator, which resulted in a third laboratory being used as an umpire. The majority of the ounces which contributed to the increase were settled and sold in the first three weeks of April 2018.

The Corporation's revenues for the six months ended March 31, 2018 were $11,235, an increase from $7,950 in 2017. The increase is attributed to the increase in ounces sold in 2018, with 704,195 ounces sold compared to 480,007 sold in 2017.

Cost of sales in Q2 2018 were $5,030, which consists of cash production costs of $3,605 and amortization and depletion of $1,425. This is an increase of $1,776 from Q2 2017, where costs of sales were $3,254 including cash costs of $2,297 and amortization of $957. The cash costs are a function of the costs per ounce as discussed previously. Amortization and depletion in Q2 2018 was $4.22 per ounce compared to $3.75 in Q2 2017, the increase is attributed to adjustments to the stacking plan from 2017 to 2018 where the stacking height was reduced, as a result costs associated with the pad construction are depreciated at a slightly higher rate. For the six months ended March 2018, cost of sales were $11,095, compared to $6,071 YTD 2017. The increase is attributed to the increase in ounces sold, from 480,007 in 2017 to 704,195 in 2018, as well as the increases in cash costs per ounce and depreciation per ounce outlined above.

General and administrative expenses during the quarter ending Q2 2018 were $1,083 compared to $263 in Q2 2017. In Q2 2017, there was a recovery of expense from the reversal of a bonus accrual of $500, which makes up the majority of the increase, as well as increases to professional fees of $96, and travel and promotional costs of $65. Similarly, general and administrative expenses for YTD 2018 were $2,125, an increase of $906 from YTD 2017 of $1,219.

In Q2 2018, there was no net income from discontinued operations, while in Q2 2017 there was $704 in net income from discontinued operations, which was attributed to operations from the Santa Gertrudis HGM project which was sold in November 2017. YTD 2018 net income from discontinued operations was $31,698, which includes the sale of Santa Gertrudis which generated a gain on disposition of $56,701, less transaction costs of $2,357, and tax expense of $8,111. Also included in discontinued operations were the reclassification of $14,535 of foreign exchange losses from other comprehensive loss as the losses were associated with the Santa Gertrudis operation ($6,017), and losses on the San Diego operation ($8,518) which had the final claims dropped in the quarter. The majority of the losses were the result of foreign exchange translation losses previously recorded in other comprehensive loss which were associated mainly with net assets of the Santa Gertrudis and San Diego operations whose functional currency was Mexican pesos. As the peso had decreased in value compared to the USD, this had generated losses recorded through other comprehensive loss in prior years. As both operations are discontinued, these losses were recycled through net income in the quarter. Net income from discontinued operations in YTD 2017 were associated with the operation of the Santa Gertrudis HGM project.

In Q2 2018, GoGold realized a net loss of $41, which is attributed mainly to an operating loss of $710, mainly offset by foreign exchange gains of $707 predominantly associated with net monetary assets held in Mexican pesos which increased in value against the USD in the quarter. Net income in Q2 2017 was $610, of which $704 was associated with discontinued operations from the HGM project. YTD 2018, net income of $29,995 includes the $31,698 income from discontinued operations associated with the sale of Santa Gertrudis, which is an increase from net income of $1,271 YTD 2017. 2017 included net income from the discontinued HGM project of $2,299, offset by tax expense of $725 and finance expense of $975.

Shareholders' equity increased from $87,826 at September 30, 2017 to $130,458 in Q2 2018 as a result of the net income of $29,995, other comprehensive income of $12,510 and stock based compensation of $127.

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:

	Mar 31, 2018	Sept 30, 2017
Current assets	$ 51,205	$ 58,753
Current liabilities	4,723	69,113
Working capital (deficiency)	$ 46,482	$ (10,360)

With the sale proceeds from the disposition of Santa Gertrudis, combined with cash used in operations, the Corporation had working capital of $46,482 at March 31, 2018. This is an increase from the working capital deficiency of $10,360 at September 30, 2017. The working capital of $46,482 at March 31, 2018 is expected to be sufficient to fund the operations of the Corporation for the upcoming twelve months.

CONTRACTUAL OBLIGATIONS

The Corporation has annual commitments of $1,006 for the next five years related to the Parral project, which includes minimum royalty payments and land lease payments.

OUTSTANDING SHARE DATA

As at March 31, 2018, the Corporation had a total of 171,376,481 common shares with a carrying amount of $141,904, 4,490,000 stock options, 4,480,539 warrants, and 475,000 deferred share units issued and outstanding. Comparative figures for September 30, 2017 were 171,376,481 common shares with a carrying amount of $141,904, 3,965,000 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, 4,490,000 stock options, 4,480,539 warrants, and 475,000 deferred share units issued and 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 Interim Financial Statements for the three and six months ended March 31, 2018 are consistent with those applied and disclosed in the Corporation's Consolidated Financial Statements for the year ended September 30, 2017. 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, 2017, 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 adopted the amendments to IAS 7 Statement of Cash flows effective October 1, 2017, with no impact on the condensed consolidated interim financial statements.

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)	**March 31, 2018**		**September 30, 2017**	
	Level 1	Level 2	Level 1	Level 2
Cash	$ 12,680	-	$ 4,606	-
Financial liabilities at fair value through profit and loss:				
Derivative liabilities	-	$ 377	-	$ 464

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

The Corporation is exposed to a number of risks and uncertainties that are common to other mineral exploration and development companies. The mining industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks.

Additional detail on risks and uncertainties is discussed in the Corporation's Annual Information Form dated December 22, 2017, 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 $56 and value added tax from the Federal Government of Mexico of $9,543. Exposure on trade receivables is limited as all receivables are with customers who the Corporation has strong working relationships with, and are reputable large companies with a history of timely payment. Management believes 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. At March 31, 2018, GoGold Resources Inc. had net monetary assets in US dollars of $12,533 (September 30, 2017 – liabilities of $53,809), for which a 10% change in US exchange rates would change net income by approximately $1,253.. At March 31, 2018, the Corporation had net monetary assets in Mexican Pesos of approximately $6,367 (September 30, 2017 – liabilities of $1,080), for which a 10% change in Mexican Peso exchange rates would change net income by approximately $637.

Interest Rate Risk:

The Corporation has cash balances and current policy is to invest excess cash in Canadian bank high interest savings accounts. The Corporation has no interest bearing liabilities.

Liquidity Risk:

The Corporation's general objective when managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Corporation had cash balances of $12,680 for settling current liabilities of $4,723, liquidity is expected to be sufficient to fund the operations of the Corporation for the next twelve months.

Derivatives

The Corporation, through its subsidiary Coanzamex, has an agreement with the Municipality of Parral, Mexico ("Town") to mine and process tailings material for precious metal recovery. The Corporation makes payments of $48 per month to the Town which increases based on the market average silver price, with payments continuing until tailings are completely mined. 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 obligation 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 March 31, 2018 of $16.28 (September 30, 2017 - $16.86), as well as the historical volatility of silver market prices. The fair value of the liability under this method at March 31, 2018 was $377 (September 30, 2017 - $464).

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 – Parral	**Q2 2017**	**Q3 2017**	**Q4 2017**	**Q1 2018**	**Q2 2018**	**YTD 2017**	**YTD 2018**
Production costs, except amortization and depletion	$ 2,296	$ 2,753	$ 10,367	$ 4,284	$ 3,605	$ 4,232	$ 7,888
Silver equivalent ounces sold	255,017	286,063	266,640	366,374	337,821	480,007	704,195
Cash cost per silver equivalent ounce	**$9.00**	**$9.62**	**$38.88**	**$11.69**	**$10.67**	**$8.82**	**$11.20**
Net realizable value adjustment on inventory[1]	-	-	(7,652)	(187)	-	-	(187)
Adjusted cash cost	2,296	2,753	2,715	4,097	3,605	4,232	7,701
Adjusted cash cost per silver equivalent ounce[1]	**$9.00**	**$9.62**	**$10.18**	**$11.18**	**$10.67**	**$8.82**	**$10.94**
Total cash costs, per above	2,296	2,753	10,367	4,284	3,605	4,232	7,888
Gold sales	(2,202)	(2,447)	(2,149)	(2,331)	(2,000)	(4,201)	(4,331)
Total cash costs, net of gold sales	94	306	8,218	1,953	1,605	31	3,557
Silver ounces sold	124,804	136,899	140,426	223,640	214,862	225,479	438,502
Cash cost per silver ounce, net of gold credits	**$0.75**	**$2.24**	**$58.52**	**$8.73**	**$7.47**	**$0.14**	**$8.11**
Net realizable value adjustment on inventory[1]	-	-	(7,652)	(187)	-	-	(187)
Adjusted cash cost, net of gold sales	94	306	566	1,766	1,605	31	3,370
Adjusted net cash cost per silver ounce[1]	**$0.75**	**$2.24**	**$4.03**	**$7.90**	**$7.47**	**$0.14**	**$7.69**
Cash costs, per above	2,296	2,753	10,367	4,284	3,605	4,232	7,888
General and administrative costs	281	902	1,491	1,041	1,083	1,242	2,124
Sustaining capital expenditures	509	2,089	2,910	230	667	509	897
Accretion expense	20	27	26	31	32	38	63
All in sustaining costs	3,106	5,771	14,794	5,586	5,387	6,021	10,972
Silver equivalent ounces sold	255,017	286,063	266,640	366,374	337,821	480,007	704,195
AISC per silver equivalent ounce[2]	**$12.18**	**$20.17**	**$55.48**	**$15.25**	**$15.95**	**$12.54**	**$15.58**
Net realizable value adjustment on inventory[1]	-	-	(7,652)	(187)	-	-	(187)
Adjusted all in sustaining costs	3,106	5,771	7,142	5,399	5,387	6,021	10,785
Adjusted AISC per silver equivalent ounce[1,2]	**$12.18**	**$20.17**	**$26.79**	**$14.74**	**$15.95**	**$12.54**	**$15.31**

1. In Q4 2017, an adjustment of $7,652 to the net realizable value of inventory was charged to cash production costs. In Q1 2018, an adjustment of $187 was made. Adjusted costs are calculated

excluding this adjustment to provide a comparison to prior quarters for costs associated with the quarter, and exclude the adjustment which includes out of period costs.

2. AISC is calculated excluding the discontinued Santa Gertrudis HGM to better reflect AISC associated with continuing operations. AISC including discontinued operations was $11.76 in Q2 2017 and $10.41 YTD 2017.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Corporation's activities or policies during the quarter ended March 31, 2018 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 and 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, 2017, 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 22, 2017, is available on SEDAR at www.sedar.com.

Dated: May 9, 2018