



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QUARTER ENDED

MARCH 31, 2013

(in Canadian Dollars unless stated otherwise)

(Unaudited)



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

	<u>March 31</u> <u>2013</u>	<u>September 30</u> <u>2012</u>
ASSETS		
Current assets:		
Cash	\$ 18,081,411	\$ 24,727,903
Input tax recoverable	321,276	595,189
Prepaid expenses	<u>220,627</u>	<u>28,870</u>
	18,623,314	25,351,962
Non-current assets:		
Property, plant and equipment (Note 3)	154,887	146,453
Exploration and evaluation assets (Note 4)	<u>75,857,004</u>	<u>70,541,902</u>
Total non-current assets	<u>76,011,891</u>	<u>70,688,355</u>
Total assets	<u>\$ 94,635,205</u>	<u>\$ 96,040,317</u>
LIABILITIES		
Current liabilities:		
Trade and other payables	\$ 357,763	\$ 856,531
EQUITY		
Share capital (Note 5)	89,703,697	89,703,697
Contributed surplus	10,239,632	9,759,488
Accumulated other comprehensive income (loss)	736,168	(188,773)
Deficit	<u>(6,402,055)</u>	<u>(4,090,626)</u>
Total equity	<u>94,277,442</u>	<u>95,183,786</u>
Total liabilities and equity	<u>\$ 94,635,205</u>	<u>\$ 96,040,317</u>

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended		For Six Months Ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
Expenses:				
General and administrative	\$ 653,404	\$ 552,241	\$ 1,227,085	\$ 878,764
Marketing and public relations	252,377	135,524	505,609	257,767
Impairment charge (Note 4)	715,098		715,098	
	<u>1,620,879</u>	<u>687,765</u>	<u>2,447,792</u>	<u>1,136,531</u>
Finance income	<u>63,696</u>	-	<u>136,363</u>	-
Net loss for the period	\$ (1,557,183)	\$ (687,765)	\$ (2,311,429)	\$ (1,136,531)
Other comprehensive income (loss):				
Foreign currency translation differences arising on translation of foreign subsidiaries	889,601	177,931	924,941	46,468
Total comprehensive loss for the period	<u>\$ (667,582)</u>	<u>\$ (509,834)</u>	<u>\$ (1,386,488)</u>	<u>\$ (1,090,063)</u>
Loss per share basic and fully diluted (Note 5)	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>128,288,331</u>	<u>60,986,720</u>	<u>128,288,331</u>	<u>59,111,064</u>

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

Six months ended	March 31 2013	March 31 2012
Cash provided by (used in) the following activities:		
Operating activities		
Net loss for the period	\$ (2,311,429)	\$ (1,136,531)
Items not involving cash		
Stock based compensation (Note 5(e))	440,300	224,785
Depreciation	2,026	4,406
Impairment charge (Note 4)	715,098	-
Net change in non-cash working capital	(494,109)	(324,901)
Net cash used in operating activities	<u>(1,648,114)</u>	<u>(1,232,241)</u>
Investing activities		
Resource property expenditures	(4,987,562)	(2,791,230)
Proceeds from sale of short-term investments	-	277,617
Purchase of property, plant and equipment	(10,816)	(33,632)
Net cash used in investing activities	<u>(4,998,378)</u>	<u>(2,547,245)</u>
Financing activities		
Issuance of common shares (net of share issuance costs)	-	4,640,500
Net cash provided by financing activities	<u>-</u>	<u>4,640,500</u>
Net increase (decrease) in cash and cash equivalents	(6,646,492)	861,014
Cash and cash equivalents, beginning of period	<u>24,727,903</u>	<u>1,596,623</u>
Cash and cash equivalents, end of period	<u>\$ 18,081,411</u>	<u>\$ 2,457,637</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at October 1, 2011	55,966,665	\$ 18,625,437	\$ 497,038	\$ (252,852)	\$ (1,685,927)	\$ 17,183,696
Net loss	-	-	-	-	(1,136,531)	(1,136,531)
Other comprehensive loss	-	-	-	46,468	-	46,468
Shares issued for cash (net of issuance costs)	3,600,000	4,165,636	129,034	-	-	4,294,670
Stock-based compensation	-	-	324,471	-	-	324,471
Finders options exercised	41,666	18,150	(5,650)	-	-	12,500
Exercise of stock options	1,450,000	519,574	(187,074)	-	-	332,500
Balance at March 31, 2012	61,058,331	\$ 23,328,797	\$ 757,819	\$ (206,384)	\$ (2,822,458)	\$ 21,057,774
Balance at October 1, 2012	128,288,331	\$ 89,703,697	\$ 9,759,488	\$ (188,773)	\$ (4,090,626)	\$ 95,183,786
Net loss	-	-	-	-	(2,311,429)	(2,311,429)
Other comprehensive loss	-	-	-	924,941	-	924,941
Stock-based compensation (Note 5(e))	-	-	480,144	-	-	480,144
Balance at March 31, 2013	128,288,331	\$ 89,703,697	\$ 10,239,632	\$ 736,168	\$ (6,402,055)	\$ 94,277,442

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements are prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These statements were prepared using the same accounting policies and methods of computation as the Company’s consolidated financial statements for the year ended September 30, 2012.

These condensed interim consolidated 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 Company’s audited consolidated financial statements for the year ended September 30, 2012 prepared in accordance with IFRS as issued by the IASB.

3. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Equipment	Drilling Equipment	Total
Cost			
At September 30, 2012	\$ 177,345	\$ 489,000	\$ 666,345
Additions	29,967	-	29,967
Disposals	-	(489,000)	(489,000)
At March 31, 2013	<u>207,312</u>	<u>-</u>	<u>207,312</u>
Accumulated amortization			
At September 30, 2012	30,892	489,000	519,892
Amortization	21,533	-	21,533
Disposals	-	(489,000)	(489,000)
At March 31, 2013	<u>52,425</u>	<u>-</u>	<u>52,425</u>
Carrying value			
At September 30, 2012	<u>146,453</u>	<u>-</u>	<u>146,453</u>
At March 31, 2013	<u>\$ 154,887</u>	<u>\$ -</u>	<u>\$ 154,887</u>

Amortization of \$15,904 (\$5,757 – March 31, 2012) has been recorded as additions to Exploration and Evaluation assets.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

4. EXPLORATION AND EVALUATION ASSETS

	Exploration and Evaluation			Total
	Rambler	San Diego	Parral	
Cost				
At September 30, 2012	\$ 714,848	\$ 21,066,554	\$ 48,760,500	\$ 70,541,902
Additions	250	3,253,168	1,774,050	5,027,468
Impairment charge	(715,098)	-	-	(715,098)
Foreign exchange adjustments	-	881,900	120,832	1,002,732
At March 31, 2013	-	25,201,622	50,655,382	75,857,004
Carrying value				
At September 30, 2012	714,848	21,066,554	48,760,500	70,541,902
At March 31, 2013	\$ -	\$ 25,201,622	\$ 50,655,382	\$ 75,857,004

During the quarter ended March 31, 2013, the Company discontinued its exploration program on the Rambler exploration property located in Canada. As a result, the Company recognized an impairment charge of \$715,098 in the Consolidated Statements of Operations.

The following table summarizes the minimum future financial commitments (in US\$) to keep the option agreements pertaining to the San Diego and Parral projects in good standing:

	Fiscal year 2013	2014	2015	2016	2017	2018	2019
Work commitments	250,000	150,000	150,000	150,000	150,000	150,000	-
Property payments	245,000	-	-	-	-	-	-
Minimum advance royalty	340,000	938,000	938,000	938,000	938,000	938,000	768,000
Total	835,000	1,088,000	1,088,000	1,088,000	1,088,000	1,088,000	768,000

Note: Excess work commitment expenditures in any given year can be applied against future commitments.

5. 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:

	Six months ended March 31, 2013		Six months ended March 31, 2012	
	Shares	Ascribed value	Shares	Ascribed value
Balance, beginning of period	128,288,331	\$ 89,703,697	55,966,665	\$ 18,625,437
Shares issued for cash	-	-	3,600,000	4,165,636
Stock options exercised	-	-	1,491,666	537,724
Balance, end of period	128,288,331	\$ 89,703,697	61,058,331	\$ 23,328,797



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(c) Escrowed shares

As of March 31, 2013, 7,699,500 common shares were released from escrow and there are a total of 24,812,167 common shares and 895,000 common share incentive options remaining in escrow.

The comparable number of escrowed common shares at September 30, 2012 was 44,917,750.

(d) Finder's stock options

The changes in finder's options during the six month period ended March 31, 2013 and 2012 were as follows:

	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	<u>Shares</u>	<u>Weighted Average Price</u>	<u>Shares</u>	<u>Weighted Average Price</u>
Outstanding, beginning of period	170,000	\$ 1.25	1,441,666	\$ 0.21
Granted	-	-	170,000	1.25
Exercised	-	-	(1,441,666)	0.21
Outstanding, end of period	<u>170,000</u>	\$ 1.25	<u>170,000</u>	\$ 1.25
Options exercisable, end of period	<u>170,000</u>	\$ 1.25	<u>170,000</u>	\$ 1.25

The 170,000 finder's options outstanding at March 31, 2013 expire on December 23, 2014.

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

	<u>December 31 2011</u>
Dividend yield	0%
Expected volatility	97%
Risk free interest rate	0.99%
Expected life	3.0 years
Weighted average grant date fair value	\$0.759

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

(e) Incentive stock options

The Corporation has a rolling 10% incentive stock option plan (the "Plan") under which options to purchase common shares of the Corporation may be granted to directors, officers, employees and consultants of the Corporation. Under the Plan, the terms and conditions of each grant of options are determined by the Board of Directors. Incentive stock options are generally exercisable for a maximum period of three to five years from the grant date and have vesting periods of 18 months to three years as determined by the Corporation's Board of Directors. Options are granted at a price no lower than the market price (as defined by the Plan) of the common shares at the time of the grant.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The changes in stock options during the six month period ended March 31, 2013 and 2012 were as follows:

	March 31, 2013		March 31, 2012	
	Shares	Weighted Average Price	Shares	Weighted Average Price
Outstanding, beginning of period	3,115,000	\$ 0.73	2,365,000	\$ 0.45
Granted	500,000	1.36	325,000	1.53
Exercised	-	-	(50,000)	0.85
Expired	(50,000)	0.85	-	-
Outstanding, end of period	3,565,000	\$ 0.81	2,640,000	\$ 0.59
Options exercisable, end of period	2,537,500	\$ 0.61	1,638,750	\$ 0.25

The following table summarizes information concerning outstanding and exercisable finder's and incentive stock options at March 31, 2013:

Expiry date	Outstanding		Exercisable	
	Number of incentive and finders options	Exercise price	Number of incentive and finders options	Exercise price
December 23, 2014	170,000	1.25	170,000	1.25
February 7, 2015	325,000	1.53	325,000	1.53
February 12, 2015	1,200,000	0.10	1,200,000	0.10
July 26, 2015	150,000	0.30	150,000	0.30
February 15, 2016	80,000	0.80	80,000	0.80
July 8, 2016	835,000	0.90	576,250	0.90
August 20, 2017	325,000	1.54	81,250	1.54
September 17, 2017	150,000	1.60	75,000	1.60
October 9, 2017	350,000	1.40	-	-
March 1, 2018	150,000	1.26	50,000	1.26
	3,735,000	0.83	2,707,500	0.86

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

	October 9 2012	March 1 2013
Dividend yield	0%	0%
Expected volatility	86%	72%
Risk free interest rate	1.37%	1.30%
Expected life	5.0 years	5.0 years
Weighted average grant date fair value	\$0.90	\$0.73

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

Stock based compensation charge totaled \$480,144 (2012 – \$324,471) of which \$39,906 (2012 – \$99,686) was capitalized to mineral property.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(f) Warrants

The Corporation issued 12,150,000 warrants in connection with the Absolute Transaction in July 2012. Each warrant is exercisable into one GoGold share at an exercise price of \$1.50 until January 24, 2015. As at March 31, 2013 12,150,000 warrants remained outstanding.

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

	Warrants Issued <u>July 27, 2012</u>
Risk free rate	1.29%
Expected volatility of the Corporation's share price	89%
Expected dividend yield	0%
Expected life of each option	2.5
Fair value per option	\$0.714

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

(g) Earnings per share

Basic earnings per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share is based on the assumption that stock options and finder's options have been exercised on the later of the beginning of the period and the date granted. As of March 31, 2013, 3,735,000 options (2012 – 1,808,750) and 12,150,000 (2012 – Nil) warrants were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

6. RELATED PARTY TRANSACTIONS

Included in general and administrative expense during the three and six month periods ended March 31, 2013 are insurance premiums amounting to \$26,711 and \$46,710 (2012 - \$10,012 and \$18,466) paid to a Corporation in which a significant interest is owned by a director of the Corporation.

The transactions were in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed to by the related parties.

7. SEGMENTED INFORMATION

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

The following tables present information about reportable segments:



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

For the three month period ended March 31, 2013	Mexico	Canada	Total
Interest revenue	\$ -	\$ 63,696	\$ 63,696
Depreciation	-	2,026	2,026
Segment net loss	-	(1,557,183)	(1,557,183)
Expenditures on non-current assets	2,836,664	4,369	2,841,033

For the three month period ended March 31, 2012

Depreciation	\$ 7,376	\$ 2,117	\$ 8,046
Segment net loss	(12,971)	(700,736)	(456,882)
Expenditures on non-current assets	1,591,740	15,231	1,606,971

For the six month period ended March 31, 2013

For the six month period ended March 31, 2013	Mexico	Canada	Total
Interest revenue	-	136,363	136,363
Depreciation	-	3,994	3,994
Segment net loss	-	(2,311,429)	(2,311,429)
Expenditures on non-current assets	5,023,099	4,369	5,027,468

For the six month period ended March 31, 2012

Depreciation	7,376	4,406	11,782
Segment net income (loss)	18,879	(1,155,410)	(1,136,531)
Expenditures on non-current assets	2,933,677	172,723	4,972,689

Reportable segment assets at March 31, 2013	\$ 77,502,126	\$ 18,133,079	\$ 95,635,205
Reportable segment liabilities at March 31, 2013	141,819	215,944	357,763
Reportable segment assets (September 30, 2012)	70,398,889	25,641,428	96,040,317
Reportable segment liabilities (September 30, 2012)	557,373	299,158	856,531