GoGold Resources Inc

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

QUARTER ENDED

DECEMBER 31, 2013

(in Canadian Dollars unless stated otherwise)
(Unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited – In Canadian dollars)

	December 31 2013	September 30 2013
ASSETS		
Current assets:		
Cash	**$ 20,631,833**	$ 31,114,102
Input tax recoverable	**1,169,898**	341,354
Prepaid expenses and accounts receivable others	**271,884**	96,495
	22,073,615	31,551,951
Non-current assets:		
Property, plant and equipment (Note 4)	**62,629,503**	54,619,408
Exploration and evaluation assets (Note 5)	**27,157,682**	26,277,321
Deposit on acquisition (Note 11)	**1,250,000**	-
Total non-current assets	**91,037,185**	80,896,729
Total assets	**$ 113,110,800**	$ 112,448,680
LIABILITIES		
Current liabilities:		
Trade and other payables	**$ 1,879,065**	$ 1,628,987
Current portion of long term debt	**2,659,000**	1,250,000
	4,538,065	2,878,987
Long term debt	**11,539,226**	12,421,726
Derivative liability (Note 6)	**308,000**	388,691
Income taxes (Note 7)	**2,047,908**	15,184
Total liabilities	**18,433,199**	15,704,588
EQUITY		
Share capital (Note 6)	**94,241,134**	94,241,134
Contributed surplus	**10,566,457**	10,477,976
Accumulated other comprehensive income (loss)	**528,801**	(241,670)
Deficit	**(10,658,791)**	(7,733,348)
Total equity	**94,677,601**	96,744,092
Total liabilities and equity	**$ 113,110,800**	$ 112,448,680

Commitments (Note 10)

Subsequent Events (Note 11)

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited – In Canadian dollars)

For the three months ended	**December 31 2013**	December 31 2012
Expenses:		
General and administrative	**$ 449,021**	$ 565,840
Regulatory	**79,643**	7,841
Marketing and public relations	**229,950**	253,232
	758,614	826,913
Finance income	**114,338**	72,668
Interest expense	**(319,080)**	-
Foreign exchange gain	**70,637**	-
	(134,105)	72,668
Deferred income tax expense (Note 7)	**(2,032,724)**	-
Net loss for the period	**$ (2,925,443)**	$ (754,245)
Other comprehensive income:		
Foreign currency translation differences arising on translation of foreign subsidiaries	**770,471**	35,340
Total comprehensive loss for the period	**$ (2,154,972)**	$ (718,905)
Loss per share basic and fully diluted (Note 6)	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding (Note 6)	**132,981,894**	128,288,331

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – In Canadian dollars)

For the three months ended	**December 31 2013**	December 31 2012
Cash provided by (used in) the following activities:		
Operating activities		
Net loss for the period	**$ (2,925,443)**	$ (754,245)
Items not involving cash		
Stock based compensation	**75,578**	210,731
Deferred taxes (Note 7)	**2,032,724**	-
Depreciation	**12,196**	1,980
Finance income	**(80,691)**	
Foreign exchange gain	**(70,637)**	
Net change in non-cash working capital	**(2,003,855)**	(455,648)
Net cash used in operating activities	**(2,960,128)**	(997,182)
Investing activities		
Exploration and development expenditures	**(327,837)**	(2,236,902)
Purchase of property, plant and equipment	**(7,720,636)**	(7,999)
Net cash used in investing activities	**(8,048,473)**	(2,244,901)
Net decrease in cash and cash equivalents	**(11,008,601)**	(3,242,083)
Foreign exchange impact on cash	**526,332**	-
Cash and cash equivalents, beginning of period	**31,114,102**	24,727,903
Cash and cash equivalents, end of period	**$ 20,631,833**	$ 21,485,820

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

GoGold Resources Inc

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited – In Canadian dollars except share information)

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive income (loss)		Deficit		Total equity
Balance at October 1, 2012	128,288,331	$	89,703,697	$	9,759,488	$	(188,773)	$	(4,090,626)	$	95,183,786
Net loss	-		-		-		-		(754,245)		(754,245)
Other comprehensive income	-		-		-		35,340		-		35,340
Stock-based compensation (note 6)	-		-		232,558		-		-		232,558
Balance at December 31, 2012	128,288,331	$	89,703,697	$	9,992,046	$	(153,433)	$	(4,844,871)	$	94,697,439
Balance at October 1, 2013	132,981,894	$	94,241,134	$	10,477,976	$	(241,670)	$	(7,733,348)	$	96,744,092
Net Income	-		-		-		-		(2,925,443)		(2,925,443)
Other comprehensive income	-		-		-		770,471		-		770,471
Stock-based compensation (note 6)	-		-		88,481		-		-		88,481
Balance at Decemberber 31, 2013	132,981,894	$	94,241,134	$	10,566,457	$	528,801	$	(10,658,791)	$	94,677,601

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

1. NATURE OF OPERATIONS

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

The ability of the Corporation 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 Corporation to obtain necessary financing to complete exploration and development; and the future profitable production or proceeds from disposition of such properties. These 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 consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (''IASB''). These 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, 2013, except as noted in Note 3 below.

These condensed consolidated interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2013 prepared in accordance with IFRS as issued by the IASB.

3. ACCOUNTING CHANGES AND RECENT PRONOUNCEMENTS

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

a) Consolidated Financial Statements

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

b) Joint Arrangements

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

c) Disclosure of Interests in Other Entities

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

(Unaudited – In Canadian dollars except share information)

d) Fair Value Measurement

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

e) Financial Instruments

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

f) Presentation of Financial Statements

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

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Furniture and Equipment	Development Assets (Parral)	Total
At September 30, 2013	$ 895,017	$ 53,802,098	$ 54,697,115
Additions	-	7,720,636	7,720,636
Foreign exchange adjustments	6,528	297,484	304,012
At December 31, 2013	$ 901,545	$ 61,820,218	$ 62,721,763
Accumulated amortization			
At September 30, 2013	$ 77,707	-	$ 77,707
Amortization	12,196	-	12,196
Foreign exchange adjustments	2,357	-	2,357
At December 31, 2013	92,260	-	92,260
Carrrying value			
At September 30, 2013	$ 817,310	$ 53,802,098	$ 54,619,408
At December 31, 2013	$ 809,285	$ 61,820,218	$ 62,629,503

(Unaudited – In Canadian dollars except share information)

5. EXPLORATION AND EVALUATION ASSETS

		San Diego
Cost		
At September 30, 2013	$	26,277,321
Additions		340,740
FX adjustments		539,621
At December 31, 2013		27,157,682
Carrrying value		
At September 30, 2013	$	26,277,321
At December 31, 2013	$	27,157,682

6. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares, without nominal or par value.

(b) Escrowed shares

As of December 31, 2013, 12,406,083 common shares and 447,500 incentive options were held in escrow by an escrow agent. Pursuant to the requirements of the TSX and the terms of the escrow agreements, these remaining common shares and incentive options were released on February 2, 2014.

The same number of common shares and incentive options were in escrow as of September 30, 2013.

(c) Finder’s stock options

The changes in finder’s options during the three month period were as follows:

	December 31, 2013			December 31, 2012		
	Number of finders options		Weighted average exercise price	Number of finders options		Weighted average exercise price
Opening balance	170,000	$	1.25	170,000	$	1.25
Closing balance	170,000		1.25	170,000		1.25
Exercisable	170,000		1.25	170,000		1.25

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

(Unaudited – In Canadian dollars except share information)

(d) 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. Options are granted at a price no lower than the market price of the common shares as defined in the Plan which is the five day weighted average of the Corporation's common shares prior to the date of grant rounded up to the nearest cent. The vesting provisions are decided by the Board of Directors at the time of grant. For grants made in the past year, the options vest between two and three years from the date of 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).

The changes in incentive stock options during the period were as follows:

	December 31, 2013			December 31, 2012		
	Number of incentive options		Weighted average exercise price	Number of incentive options		Weighted average exercise price
Opening balance	3,690,000	$	0.83	3,115,000	$	0.73
Granted	450,000		1.00	350,000		1.40
Expired	-		-	(50,000)		0.85
Closing balance	4,140,000	$	0.85	3,415,000	$	0.79
Exercisable	2,994,166	$	0.69	2,128,750	$	0.48

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

	Outstanding			Exercisable		
Expiry date	Number of incentive options		Exercise price	Number of incentive 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	835,000		0.90
August 20, 2017	325,000		1.54	162,500		1.54
September 17, 2017	150,000		1.60	75,000		1.60
October 9, 2017	350,000		1.40	116,666		-
March 1, 2018	150,000		1.26	50,000		1.26
May 16, 2018	125,000		1.30	-		-
December 9, 2018	450,000		1.00			
	4,310,000		0.86	3,164,166	$	0.72

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:

(Unaudited – In Canadian dollars except share information)

	Options granted October 9, 2012	Options granted December 6, 2013
Risk-free rate	1.25%	1.82%
Expected volatility of the Corporation's share price	77.7%	69.6%
Expected dividend yield	0.00%	0.00%
Expected life of each option	3.5 years	5 years
Weighted average grant date fair value	$0.72	$0.50

The expected volatility was determined based on the historical share price volatility from the date of the grant over a period of time equal to the expected life of the option.

The Corporation has recorded total share based payments of $88,481 (2013 - $232,558) which has been recorded as compensation expense amounting to $75,578 (2013- $210,731) and as additions to exploration and evaluation assets of $12,903 (2013 -$22,187).

(e) Warrants

The Corporation issued 12,150,000 warrants in connection with an asset acquisition in July 2012. Each warrant is exercisable into one share at an exercise price of $1.50 until January 24, 2015. 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.

The Corporation issued 2,000,000 warrants in connection with project financing in September 2013. Each warrant is exercisable into one share at an exercise price of $1.50 USD until September 27, 2015. As these warrants were issued in a foreign currency, they met the definition of a derivative treatment and are classified as a financial liability at fair value. They were remeasured at December 31, 2013 with a $80,691 decrease to the liability and a corresponding adjustment to finance income. Key assumptions used to remeasure the liability were a risk free rate of 1.12%, expected volatility of 53%, expected dividend yield of 0%, and an expected life of 1.75 years resulted in a fair value of $0.15 per warrant.

As at December 31, 2013 14,150,000 warrants remained outstanding.

(f) 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 December 31, 2013, 4,310,000 options (2012 – 3,585,000) and 14,150,000 (2012 – 12,150,000) warrants were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

7. INCOME TAXES

During the period the Mexican Government substantially enacted new tax legislation levying an effective tax of 7.5% to the concession holder of mining companies effective January 1, 2014. As a result, in the future the Company will not be permitted to deduct prior capital expenditures on the San Diego mining project and therefore has recorded a deferred tax liability of $2.0 million dollars associated with these assets. This tax does not apply to the Parral project as the Company is not the concession holder.

(Unaudited – In Canadian dollars except share information)

8. RELATED PARTY TRANSACTIONS

Included in general and administrative expense during the three month period ended December 31, 2013 are insurance premiums amounting to $60,740 (2012 - $19,999) paid to a Corporation where 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.

9. 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:

For the three month period ended December 31, 2013:	Mexico	Canada	Total
Interest revenue	$ -	$ 33,647	$ 33,647
Depreciation	10,504	1,692	12,196
Segment net income (loss)	-	(2,925,443)	(2,925,443)
Expenditures on non-current assets	8,061,376	-	8,061,376
For the three month period ended December 31, 2012:			
Interest revenue	$ -	$ 72,668	$ 72,668
Depreciation	-	1,980	1,980
Segment net income (loss)	-	(754,245)	(754,245)
Expenditures on non-current assets	2,244,901	-	2,244,901
Reportable segment assets (December 31, 2013)	$ 92,318,959	$ 20,791,841	$ 113,110,800
Reportable segment liabilities (December 31, 2013)	3,198,969	15,234,230	18,433,199
Reportable segment assets (December 31, 2012)	$ 72,658,614	$ 22,334,704	$ 94,993,318
Reportable segment liabilities (December 31, 2012)	50,769	245,110	295,879

10. COMMITMENTS

The following table summarizes the minimum future financial commitments (in US$) to keep the MDD and Coanzamex agreements in good standing:

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

11. SUBSEQUENT EVENT

On January 23, 2014 the Corporation mailed an offer to purchase all the outstanding shares of Animas Resources Ltd. ("Animas") which holds the past-producing Santa Gertrudis gold mine located in Sonora, Mexico. The terms of the purchase are $0.07 cash and 0.0851 of a common share of the Corporation for each outstanding share. Assuming all of the Animas shares, including any Animas shares issuable upon the exercise of convertible securities, are tendered to the offer the Corporation anticipates issuing up to 6,930,881 common shares and paying $5,154,162 in cash. As part of this acquisition the Corporation has obtained lock-up agreements with 63.7% (66.9% on a fully diluted basis) of Animas' shareholders whereby they have agreed to tender their shares with respect to this offer.

In connection with this acquisition, the Corporation has advanced Animas $250,000 for working capital purposes and placed $1,000,000 in escrow. Under the terms of the escrow agreement, the $1,000,000 is paid to Animas if the Corporation fails to take-up and pay for the shares tendered under the offer by April 30, 2014.

The transaction is expected to close in April 2014.

On February 5, 2014 the Corporation closed the second tranche of the US $15,000,000 project financing for the construction of the Parral tailings project on the same terms as the first tranche as disclosed in the annual financial statements.