CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

QUARTER ENDED

JUNE 30, 2016

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

GOGOLD RESOURCES INC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - in thousands of United States dollars)

	June 30 2016	September 30 2015
ASSETS		
Current assets:		
Cash	**$ 1,965**	$ 2,721
Trade receivables	**3,250**	1,145
Input tax recoverable	**2,401**	591
Prepaid expenses	**310**	1,249
Inventories (Note 3)	**22,489**	11,090
	30,415	16,796
Non-current assets:		
Input tax recoverable	**5,615**	5,144
Inventories (Note 3)	**1,086**	1,091
Property, plant and equipment (Note 4)	**79,849**	78,505
Exploration and evaluation assets (Note 5)	**18,753**	39,060
Total assets	**$ 135,718**	$ 140,596
LIABILITIES		
Current liabilities:		
Trade and other payables	**$ 10,770**	$ 5,588
Income taxes payable	**94**	41
Derivative liability (Note 10(d))	**72**	174
	10,936	5,803
Non-current liabilities:		
Long term debt (Note 6)	**31,507**	27,357
Provision for site restoration	**899**	953
Deferred income taxes	**3,375**	2,627
Total liabilities	**46,717**	36,740
EQUITY		
Share capital (Note 7)	**140,500**	132,684
Contributed surplus	**7,036**	6,528
Accumulated other comprehensive loss	**(18,184)**	(14,630)
Deficit	**(40,351)**	(20,726)
Total equity	**89,001**	103,856
Total liabilities and equity	**$ 135,718**	$ 140,596

Commitments (Note 11)

See accompanying notes to the unaudited condensed consolidated financial statements.

GoGold Resources Inc

Condensed Consolidated Statements of Operations and Comprehensive Loss

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

	Three months ended		Nine months ended	
	June 30 2016	June 30 2015	**June 30 2016**	June 30 2015
Revenue from mining operations	**$ 5,965**	$ 7,459	**$ 14,047**	$ 7,498
Cost of sales:				
Production costs, except amortization and depletion	**2,412**	2,640	**6,209**	2,657
Amortization and depletion	**1,380**	921	**3,383**	927
	3,792	3,561	**9,592**	3,584
General and administrative	**1,110**	992	**3,123**	3,039
Operating income	**1,063**	2,906	**1,332**	875
Finance costs	**(435)**	(686)	**(1,222)**	(924)
Foreign exchange gain (loss)	**(119)**	42	**979**	(3,690)
Gain (loss) on derivative liability	**13**	-	**105**	220
Impairment charge (Note 5)	**-**	-	**(20,030)**	-
Other revenues	**39**	-	**39**	-
	(502)	(644)	**(20,129)**	(4,394)
Income (loss) before income taxes	**561**	2,262	**(18,797)**	(3,519)
Current income tax recovery (expense)	**33**	(148)	**(54)**	(14)
Deferred income tax (expense) recovery	**(810)**	-	**(774)**	54
	(777)	(148)	**(828)**	40
Net income (loss) for the period	**(216)**	2,114	**(19,625)**	(3,479)
Items which may subsequently be recycled through profit or loss:				
Foreign currency translation differences arising on translation of foreign operations	**(1,618)**	(1,462)	**(3,554)**	(3,996)
Total comprehensive income (loss) for the period	**$ (1,834)**	$ 652	**$ (23,179)**	$ (7,475)
Net loss per share (Note 7):				
Basic	**$ 0.00**	$ 0.01	**$ (0.12)**	$ (0.02)
Diluted	**$ 0.00**	$ 0.01	**$ (0.12)**	$ (0.02)
Weighted average number of common shares outstanding (Note 7):				
Basic	**164,521,232**	162,072,003	**162,999,630**	158,735,697
Diluted	**164,521,232**	167,587,003	**162,999,630**	158,735,697

See accompanying notes to the unaudited condensed consolidated financial statements.

GoGold Resources Inc

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - in thousands of United States dollars)

	Three months ended		Nine months ended	
	June 30 2016	June 30 2015	**June 30 2016**	June 30 2015
Cash provided by (used in) the following activities:				
Operating activities				
Net income (loss) for the period	**$ (216)**	$ 2,114	**$ (19,625)**	(3,479)
Items not involving cash:				
Amortization and depletion	**1,380**	921	**3,383**	927
Deferred income taxes	**810**	134	**774**	(54)
Foreign exchange loss (gain)	**118**	(42)	**(979)**	3,690
Gain on derivative liability	**(13)**	-	**(105)**	(220)
Amortization of deferred financing fees and accretion	**75**	158	**220**	211
Stock based compensation	**102**	23	**223**	184
Impairment charge	**-**	-	**20,030**	-
	2,256	3,308	**3,921**	1,259
Net change in non-cash working capital (Note 8)	**(2,439)**	(2,968)	**(7,585)**	(7,478)
Net cash (used in) provided by operating activities	**(183)**	340	**(3,664)**	(6,219)
Investing activities				
Exploration and evaluation expenditures	**(640)**	(1,701)	**(1,748)**	(5,130)
Purchase of property, plant and equipment, net of credits	**(2,184)**	(238)	**(7,370)**	144
Net cash used in investing activities	**(2,824)**	(1,939)	**(9,118)**	(4,986)
Financing activities				
Principal payments on long term debt (Note 6)	**(6,000)**	(2,639)	**(6,000)**	(7,828)
Proceeds from long term debt (Note 6)	**2,000**	-	**10,000**	-
Issuance of common shares (Note 7)	**7,458**	-	**7,458**	16,194
Issuance of warrants (Note 7)	**402**	-	**402**	-
Proceeds on exercise of options (Note 7)	**157**	-	**203**	185
Proceeds on exercise of warrants (Note 7)	**-**	-	**-**	951
Net cash provided by (used in) financing activities	**4,017**	(2,639)	**12,063**	9,502
Net increase (decrease) in cash and cash equivalents	**1,010**	(4,238)	**(719)**	(1,703)
Foreign exchange impact on cash	**(42)**	2	**(37)**	(335)
Cash and cash equivalents, beginning of period	**997**	5,610	**2,721**	3,412
Cash and cash equivalents, end of period	**$ 1,965**	$ 1,374	**$ 1,965**	$ 1,374

See accompanying notes to the unaudited condensed consolidated financial statements.

GoGold RESOURCES INC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - in thousands of United States dollars)

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive loss		Deficit		Total equity
Balance at October 1, 2014	147,831,030	$	114,685	$	6,986	$	(9,532)	$	(14,644)	$	97,495
Net loss	-		-		-		-		(3,479)		(3,479)
Other comprehensive loss	-		-		-		(3,996)		-		(3,996)
Stock-based compensation (Note 7)	-		-		286		-		-		286
Warrant exercise (Note 7)	737,473		1,447		(118)		-		-		1,329
Option exercise (Note 7)	170,000		298		(113)		-		-		185
Shares issued, net of issuance costs (Note 7)	13,333,500		16,194		-		-		-		16,194
Balance at June 30, 2015	162,072,003	$	132,624	$	7,041	$	(13,528)	$	(18,123)	$	108,014
Balance at October 1, 2015	162,222,003	$	132,684	$	6,528	$	(14,630)	$	(20,726)	$	103,856
Net loss	-		-		-		-		(19,625)		(19,625)
Other comprehensive loss	-		-		-		(3,554)		-		(3,554)
Stock-based compensation (Note 7)	-		-		261		-		-		261
Option exercise (Note 7)	310,000		358		(155)		-		-		203
Shares issued, net of issuance costs (Note 7)	8,561,078		7,458		-		-		-		7,458
Warrants issued (Note 7)	-		-		402		-		-		402
Balance at June 30, 2016	171,093,081	$	140,500	$	7,036	$	(18,184)	$	(40,351)	$	89,001

See accompanying notes to the unaudited condensed consolidated financial statements.

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

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PREPARATION

a) Statement of compliance

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

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

b) Accounting changes

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

3. INVENTORIES

	June 30, 2016	September 30, 2015
Current:		
Supplies inventory	**$ 856**	$ 771
In process inventory	**21,493**	10,241
Finished goods inventory	**140**	78
	22,489	11,090
Long term:		
In process inventory	**1,086**	1,091
	$ 23,575	$ 12,181

The amount of inventory included in cost of sales for the three months ended June 30, 2016 was $2,412 (three months ended June 30, 2015 – $2,640) and for the nine months ended June 30, 2016 was $6,209 (nine months ended June 30, 2015 – $2,657).

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

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 29,183	$ 54,434	$ 83,617
Additions	6,857	1,531	8,388
Foreign exchange adjustments	(10)	-	(10)
At June 30, 2016	**$ 36,030**	**$ 55,965**	**$ 91,995**

Accumulated Amortization	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 3,507	$ 1,605	$ 5,112
Amortization and depletion	5,175	1,864	7,039
Foreign exchange adjustments	(5)	-	(5)
At June 30, 2016	**$ 8,677**	**$ 3,469**	**$ 12,146**

Carrying Value	Plant & Equipment	Mining Properties	Total
At September 30, 2015	$ 25,676	$ 52,829	$ 78,505
At June 30, 2016	**$ 27,353**	**$ 52,496**	**$ 79,849**

For the nine months ended June 30, 2016, additions to amortization and depletion include amounts of $3,656 (nine months ended June 30, 2015 - $2,191) which are capitalized as part of in process inventory. For the nine months ended June 30, 2016, additions to mining properties include $1,030 related to the elimination of a 12% net profit royalty on the Parral tailings project which was previously included in prepaid expenses.

5. EXPLORATION AND EVALUATION ASSETS

Cost	San Diego	Santa Gertrudis	Total
At September 30, 2015	$ 20,527	$ 18,533	$ 39,060
Additions	94	1,692	1,786
Impairment	(20,030)	-	(20,030)
Foreign exchange adjustments	(378)	(1,685)	(2,063)
At June 30, 2016	**$ 213**	**$ 18,540**	**$ 18,753**

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

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

6. LONG TERM DEBT

Long term debt consists of a $50,000 senior revolving credit facility which was entered into on July 21, 2015 with a Canadian chartered bank. The facility bears interest at LIBOR plus 2.00% to 3.25%, depending on the leverage ratio of the Corporation, matures on July 21, 2018, and may be extended upon mutual agreement by both parties. No principal payments under the facility are due until the maturity date and it has pledged as security a first charge over all the Corporation's assets. On December 18, 2015 and June 29, 2016, the Corporation amended the credit facility to adjust the financial covenants to modify certain ratios to coincide with the ramp up of the Corporation's production. On May 10, 2016 the Corporation amended the credit facility to reduce the tangible net worth covenant requirement by the amount of the San Diego impairment as described in Note 5.

The credit facility has covenants that include, but are not limited to, a leverage ratio (for which debt is compared to EBITDA as defined in the credit facility agreements; excluding most significant non-cash and non-recurring items) and an interest coverage ratio. The Corporation is required to ensure at all times prior to September 30, 2016 that the ratio of debt to EBITDA, determined on a rolling four quarter basis, does not exceed 4.5 to 1, at all times on and after September 30, 2016 and prior to December 31, 2016, does not exceed 4.0 to 1, and at all times on and after December 31, 2016, does not exceed 3.5 to 1, and the ratio of EBITDA to interest expense, determined on a rolling four quarter basis equals or exceeds 4.5 to 1. As of June 30, 2016, the Corporation's ratio of debt to EBITDA was 4.0 to 1 and EBITDA to interest expense was 5.8 to 1, and the Corporation was in compliance with all covenants.

During the three and nine months ended June 30, 2016, the Corporation received proceeds of $2,000 and $10,000 (three and nine months ended June 30, 2015 - $Nil and $Nil) and made repayments of $6,000 and $6,000 (three and nine months ended June 30, 2015 - $Nil and $Nil) under the facility. As of June 30, 2016, the Corporation had drawn $32,000 (September 30, 2015 - $28,000). In the event the Corporation exceeds any of the covenants under the credit facility, its ability to borrow funds may be restricted. As at June 30, 2016 the maximum the Corporation could draw without exceeding covenants was $3,600. Subsequent to the end of the quarter, in July 2016, the Corporation drew an additional $3,500 on the facility.

Interest expense of $360 and $1,016 (2015 – $528 and $719) is included in finance costs for the three and nine months ended June 30, 2016.

7. SHARE CAPITAL

(a) Authorized

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

(b) Issued

The following table summarizes the changes in issued common shares of the Corporation:

	Shares	Value
Balance September 30, 2014	147,831,030	$ 114,685
Shares issued, net of issuance costs	13,333,500	16,194
Shares issued for exercise of options	170,000	298
Shares issued for exercise of warrants	737,473	1,447
Balance June 30, 2015	162,072,003	$ 132,624
Balance September 30, 2015	162,222,003	$ 132,684
Shares issued for exercise of options	310,000	358
Shares issued, net of issuance costs	8,561,078	7,458
Balance June 30, 2016	**171,093,081**	**$ 140,500**

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

On June 7, 2016, the Corporation closed a bought deal whereby a syndicate of underwriters purchased 8,561,078 units at a price of $1.30 CAD per unit, with each unit consisting of one common share of the Corporation and one half-warrant. The common shares were valued at $1.24 per share and the half-warrants were valued at $0.06, the details of which are provided in section (f) below. The net proceeds attributed to the common shares, after share issuance costs, were $7,458.

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

The weighted average number of common shares outstanding for the three and nine months ending June 30, 2016 was 164,521,232 and 162,999,630 (three and nine months ending June 30, 2015 – 162,072,003 and 158,735,697).

(c) Finder's stock options

There were 170,000 finder's stock options exercised in the nine months ended June 30, 2015 at an exercise price of CAD $1.25 and a market price of CAD $1.50. There were no finder's stock options outstanding subsequent to that exercise.

(d) Incentive stock options

The Corporation has an incentive stock option plan (the "Plan") under which options to purchase common shares of the Corporation may be granted to directors, officers, employees and consultants of the Corporation. Under the Plan, the terms and conditions of each grant of options are determined by the Board of Directors. Options are granted at a price no lower than the market price of the common shares as defined in the Plan which is the five day weighted average of the Corporation's common shares prior to the date of grant rounded up to the nearest cent. Options granted under the Plan typically vest over a 3 year period, although the vesting period is at the Board of Directors' discretion.

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

The changes in incentive stock options during the nine months ended June 30, 2016 and June 30, 2015 were as follows:

	June 30, 2016		**June 30, 2015**	
	Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance	3,365,000	CAD $ 1.26	3,515,000	CAD $ 1.22
Granted	1,675,000	1.20	-	-
Exercised	(310,000)	0.87		
Expired	(130,000)	1.05		
Closing balance	4,600,000	CAD $ 1.27	3,515,000	CAD $ 1.22
Exercisable	2,600,000	CAD $ 1.30	2,623,333	CAD $ 1.18

The weighted average market price on the day of exercise for the exercised options in the nine months ended June 30, 2016 was $1.22.

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

The following table summarizes information concerning outstanding and exercisable incentive stock options at June 30, 2016:

	Outstanding		Exercisable	
Expiry date	Number of options	Exercise price (CAD $)	Number of options	Exercise price (CAD $)
July 8, 2016	575,000	0.90	575,000	0.90
February 7, 2017	325,000	1.53	325,000	1.53
July 9, 2017	100,000	1.60	33,333	1.60
August 20, 2017	325,000	1.54	325,000	1.54
September 17, 2017	150,000	1.60	150,000	1.60
October 9, 2017	350,000	1.40	350,000	1.40
March 1, 2018	150,000	1.26	150,000	1.26
May 16, 2018	125,000	1.30	125,000	1.30
December 9, 2018	400,000	1.00	266,667	1.00
February 12, 2019	100,000	1.50	66,667	1.50
March 17, 2019	325,000	1.60	216,666	1.60
July 9, 2019	50,000	1.60	16,667	1.60
December 23, 2020	1,625,000	1.20	-	-
	4,600,000	CAD $ 1.27	2,600,000	CAD $ 1.30

The compensation charges for the 1,675,000 incentive stock options granted during the nine months ended June 30, 2016 were determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

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

The expected volatility was determined based on the historical share price volatility from the date of the grant over a period of time equal to the expected life of the option. The expected forfeiture rate was nil. There were no options granted during the nine months ended June 30, 2015.

The Corporation has recorded total share based compensation for the three and nine months ending June 30, 2016 of $109 and $261 (2015 - $44 and $286), which has been recorded as compensation expense amounting to $102 and $223 (2015 - $26 and $184) and as additions to exploration and evaluation assets of $7 and $38 (2015 -$18 and $102).

(e) Deferred share units

On March 24, 2016 the Corporation approved a deferred share unit (“DSU”) plan as an alternative form of compensation for employees, officers, and directors of the Corporation. Each DSU entitles the participant to receive one common share of the Corporation issued from treasury upon redemption. The maximum number of common shares that are issuable under the DSU plan is 5,000,000, and when combined with the incentive stock option plan shall not exceed 10% of the issued and outstanding common shares. As of June 30, 2016, no DSUs were issued or outstanding.

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

(f) Warrants

On June 7, 2016, in connection with the bought deal detailed in section (b) above, the Corporation issued 4,280,539 warrants with an exercise price of CAD $1.70 and an expiration date of June 7, 2018. The fair value of the warrants was determined using the Black-Scholes pricing model with the following assumptions:

Warrant issue date	June 7, 2016
Exercise price	CAD $ 1.70
Risk-free rate	0.58%
Expected volatility of share price	42.73%
Expected dividend yield	0.00%
Expected life of each warrant	2.0 years
Weighted average grant date fair value	CAD $ 0.12
USD:CAD conversion rate	0.7819

The above warrants are publicly traded on the Toronto Stock Exchange under the symbol GGD.WT, and at June 30, 2016 the market price was $0.15.

At June 30, 2015, the Corporation had 2,000,000 warrants outstanding with an exercise price of CAD $1.50 that expired on September 27, 2015.

The changes in warrants during the nine months ended June 30, 2016 and June 30, 2015 were as follows:

	June 30, 2016			**June 30, 2015**		
	Number of warrants	Weighted average exercise price	Remaining contractual life (years)	Number of warrants	Weighted average exercise price	Remaining contractual life (years)
Opening balance	-	-	-	8,045,840	CAD $ 1.50	0.49
Issued	4,280,539	CAD $ 1.70	1.94			
Exercised	-	-	-	(737,473)	1.50	0.16
Expired	-	-	-	(5,308,367)	1.50	-
Closing balance	4,280,539	1.70	1.94	2,000,000	1.50	0.25
Exercisable	4,280,539	CAD $ 1.70	1.94	2,000,000	CAD $ 1.50	0.25

The average market price on the days of exercise for the exercised warrants in the nine months ending June 30, 2015 was CAD $1.63.

(g) Earnings (loss) per share

Basic earnings (loss) per share is calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share is based on the assumption that stock options and warrants have been exercised on the later of the beginning of the period and the date granted. As of June 30, 2016, 4,600,000 options (June 30, 2015 – 3,515,000) and 4,280,539 warrants (June 30, 2015 – 2,000,000) were excluded from the computation of diluted loss per share for the three months ended June 30, 2016 and the nine months ended at the respective period date, because their effect would have been anti-dilutive. For the three months ended June 30, 2015, the options and warrants are included in the calculation of diluted earnings per share as they are not anti-dilutive.

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

8. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended		Nine months ended	
	June 30 2016	June 30 2015	**June 30 2016**	June 30 2015
Change in non-cash operating working capital:				
Trade receivables	**$ (861)**	$ (917)	**$ (2,105)**	$ 141
Input tax recoverable	**(1,089)**	(1,045)	**(3,148)**	(1,711)
Prepaid expenses	**(296)**	(495)	**(260)**	(695)
Inventories	**(3,293)**	(1,824)	**(7,738)**	(6,008)
Trade and other payables	**3,133**	1,299	**5,610**	781
Income taxes payable	**(33)**	14	**56**	14
	$ (2,439)	$ (2,968)	**$ (7,585)**	$ (7,478)

9. SEGMENTED INFORMATION

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

The following table presents information about reportable segments:

	Mexico	**Canada**	**Total**
For the three months ended June 30, 2016:			
Depreciation	$ 1,380	$ -	$ 1,380
Segment net income (loss)	1,175	(1,391)	(216)
Expenditures on non-current assets	2,824	-	2,824
For the three months ended June 30, 2015:			
Depreciation	$ 921	$ -	$ 921
Segment net income (loss)	3,800	(1,686)	2,114
Expenditures on non-current assets	1,939	-	1,939
For the nine months ended June 30, 2016:			
Depreciation	$ 3,383	$ -	$ 3,383
Segment net loss	(16,373)	(3,252)	(19,625)
Impairment charge	20,030	-	20,030
Expenditures on non-current assets	9,117	-	9,117
For the nine months ended June 30, 2015:			
Depreciation	$ 927	$ -	$ 927
Segment net income (loss)	2,659	(6,138)	(3,479)
Expenditures on non-current assets	4,986	-	4,986

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

Reportable segment assets (June 30, 2016)	$ 134,802	$ 916	$ 135,718
Reportable segment liabilities (June 30, 2016)	14,197	32,520	46,717
Reportable segment assets (September 30, 2015)	$ 138,450	$ 2,146	$ 140,596
Reportable segment liabilities (September 30, 2015)	8,840	27,900	36,740

Included in segment net income in Canada for the three and nine months ended June 30, 2016 are foreign exchange gains of $286 and $1,412 (2015 – gain of $301 and loss of $2,598).

10. FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments:

The fair values of the Corporation's financial instruments are considered to approximate the carrying amounts. Levels 1 to 3 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. All of the instruments included below were valued at fair value through profit or loss.

	June 30, 2016		September 30, 2015	
	Level 1	Level 2	Level 1	Level 2
Cash	$ 1,965	-	$ 2,721	-
Derivative liabilities	-	$ 72	-	$ 174

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

(b) Capital management:

The Corporation's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and debt. Future financings are dependent on market conditions and there can be no assurance the Corporation will be able to raise funds in the future. The Corporation invests all capital that is surplus to its immediate operational needs in high interest savings accounts.

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

	June 30, 2016	September 30, 2015
Shareholders' equity	$ 89,001	$ 103,856
Current and long term debt	31,507	27,357
	120,508	131,213
Less: cash	(1,965)	(2,721)
	$ 118,543	$ 128,492

(c) Financial risks:

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

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

Credit Risk
The Corporation's credit risk is primarily attributable to cash, input tax recoverable and trade receivables. Cash consists of funds on deposit in accounts with a Canadian Schedule I bank. Input tax recoverable consists of harmonized sales tax due from the Federal Government of Canada of $83 and value added tax from the Federal Government of Mexico of $7,933. Exposure on trade receivables is limited as all receivables are paid within 10 business days and are with one customer who the Corporation has a strong working relationship with. Management believes that the risk of loss with respect to financial instruments included in cash, input tax recoverable and trade receivables to be low.

Foreign Currency Risk
The Corporation's major purchases are transacted in Canadian dollars, US dollars, and Mexican Pesos. The Corporation funds certain operations, exploration and administrative expenses in Mexico using US dollar and Mexican Peso currency converted from its Canadian and US dollar bank accounts held in Canada. As GoGold Resources Inc., the parent corporation, has a functional currency of Canadian dollars, net liabilities held in US dollars are affected by foreign exchange fluctuations and will affect the Corporation's net loss. At June 30, 2016, GoGold Resources Inc. had net monetary liabilities in US dollars of $31,329 (September 30, 2015 – $25,369), for which a 10% appreciation in US exchange rates would affect net loss by approximately $3,133, which would then be offset by a corresponding gain recorded through foreign currency translation differences recorded through other comprehensive income. At June 30, 2016, the Corporation had net monetary assets in Mexican Pesos of approximately $1,546 (September 30, 2015 - $509), for which a 10% appreciation in Mexican Peso exchange rates would reduce net loss by approximately $155.

Interest Rate Risk
The Corporation has cash balances and interest-bearing debt. The Corporation's current policy is to invest excess cash in Canadian bank high interest savings accounts. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The long term debt as detailed in Note 6 bears interest based on the LIBOR rate, for which a 1% increase or decrease would result in an increase or decrease of annual interest expense of $320.

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 June 30, 2016, the Corporation had cash balances of $1,965 (September 30, 2015 - $2,721) for settling current liabilities of $10,936 (September 30, 2015 - $5,588). With the cash on hand, anticipated positive cash flows from operations, and funds from the credit facility as detailed below, management is confident that the risk of becoming illiquid is sufficiently mitigated.

The Corporation has funds available from the credit facility as detailed in Note 6. The Corporation's senior revolving credit facility has financial covenants (see Note 6), 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 or the allowable borrowing on the facility may be reduced, requiring repayment. The Corporation has been able to arrange for amendments to financial covenants during the current fiscal year in order to remain in compliance with the terms of the facility. In the event the Corporation exceeds 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. As at June 30, 2016 the maximum the Corporation could draw without exceeding covenants was $3,600. Subsequent to quarter end, in July 2016, the Corporation drew an additional $3,500 on the facility.

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

(d) Derivatives:

As at June 30, 2016, the Corporation held foreign exchange option contracts to protect against the risk of the Mexican Peso ("MXN") strengthening against the USD. The option contracts are zero-cost collars which settle monthly and are for the purchase of 8,000,000 MXN per month and the sale of USD at a call option per price of $1.00 USD to 15.80 MXN and a put option of $1.00 USD to 17.01 MXN. The contracts began on September 1, 2015 and expire on August 31, 2016. These contracts had a negative fair value of $72 as of June 30, 2016 (September 30, 2015 - $174), all of which has been recognized in net income.

11. COMMITMENTS

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

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

	Remaining 2016	2017	2018	2019	2020
Land payments - San Diego	$ 25	$ 50	$ 50	$ -	$ -
Minimum royalty and land payments - Parral	560	1,150	1,150	1,150	1,150
Operational and sustaining capital requirements - Parral	1,349	-	-	-	-
Land payments - Santa Gertrudis	78	183	183	183	183
	$ 2,012	$ 1,383	$ 1,383	$ 1,333	$ 1,333