GOGOLD RESOURCES INC

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED

SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014

(in thousands of United States Dollars unless stated otherwise)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of GoGold Resources Inc.

We have audited the accompanying consolidated financial statements of GoGold Resources Inc., which comprise the consolidated statements of financial position as at September 30, 2015, September 30, 2014, and October 1, 2013, the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years ended September 30, 2015 and September 30, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of GoGold Resources Inc. as at September 30, 2015, September 30, 2014, and October 1, 2013 and its consolidated financial performance and its consolidated cash flows for the years ended September 30, 2015 and September 30, 2014 in accordance with International Financial Reporting Standards.

Comparative information

Without modifying our opinion, we draw attention to Note 2(b) to the consolidated financial statements, which indicates that the comparative information presented as at and for the year ended September 30, 2014 has been restated and that the comparative information presented as at October 1, 2013 has been derived from the consolidated financial statements as at and for the year ended September 30, 2013.

KPMG LLP

Chartered Accountants
December 16, 2015
Halifax, Canada

GoGold Resources Inc

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of United States dollars)

	September 30 2015	September 30 2014 (Restated - Note 2)	October 1 2013 (Restated - Note 2)
ASSETS			
Current assets:			
Cash	**$ 2,721**	$ 3,412	$ 30,199
Trade receivables	**1,145**	1,288	-
Input tax recoverable	**591**	5,005	331
Prepaid expenses	**1,249**	1,453	94
Inventories (Note 5)	**11,090**	1,509	-
	16,796	12,667	30,624
Non-current assets:			
Input tax recoverable	**5,144**	-	-
Inventories (Note 5)	**1,091**	-	-
Property, plant and equipment (Note 6)	**78,505**	81,069	53,014
Exploration and evaluation assets (Note 7)	**39,060**	41,034	25,505
Total assets	**$ 140,596**	$ 134,770	$ 109,143
LIABILITIES			
Current liabilities:			
Trade and other payables	**$ 5,588**	$ 2,852	$ 1,582
Income taxes payable	**41**	134	-
Derivative liability (Note 15(d))	**174**	597	-
Current portion of long term debt (Note 9)	**-**	13,047	1,211
	5,803	16,630	2,793
Non-current liabilities:			
Long term debt (Note 9)	**27,357**	17,195	12,058
Derivative liability	**-**	-	377
Provision for site restoration (Note 10)	**953**	1,473	-
Deferred income taxes (Note 12)	**2,627**	1,977	15
Total liabilities	**36,740**	37,275	15,243
EQUITY			
Share capital (Note 11)	**132,684**	114,685	94,182
Contributed surplus	**6,528**	6,986	10,394
Accumulated other comprehensive loss	**(14,630)**	(9,532)	(2,985)
Deficit	**(20,726)**	(14,644)	(7,691)
Total equity	**103,856**	97,495	93,900
Total liabilities and equity	**$ 140,596**	$ 134,770	$ 109,143

Commitments (Note 16)

Signed on behalf of the Board: *"Signed"* *George Waye* *"Signed"* *Terry Coughlan*

See accompanying notes to the consolidated financial statements.

GoGold Resources Inc

Consolidated Statements of Operations and Comprehensive Loss

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

For the year ended	**September 30, 2015**	September 30, 2014 *(Restated – See Note 2)*
Revenue from mining operations	**$ 12,521**	$ -
Cost of sales:		
Production costs, except amortization and depletion	**4,675**	-
Amortization and depletion	**2,364**	-
	7,039	-
General and administrative	**3,592**	2,909
Operating income (loss)	**1,890**	(2,909)
Gain (loss) on derivative liability	**46**	(250)
Foreign exchange loss	**(5,741)**	(558)
Finance costs	**(1,879)**	-
Warrant incentive program	**-**	(759)
	(7,574)	(1,567)
Loss before income taxes	**(5,684)**	(4,476)
Current income tax (recovery) expense	**(93)**	138
Deferred income tax expense	**491**	1,973
	398	2,111
Net loss for the period	**$ (6,082)**	$ (6,587)
Items which may subsequently be cycled through profit or loss:		
Foreign currency translation differences arising on translation of foreign subsidiaries	**(5,098)**	(6,547)
Total comprehensive loss for the period	**$ (11,180)**	$ (13,134)
Net loss per share basic and fully diluted (Note 11):	**$ (0.04)**	$ (0.05)
Weighted average number of common shares outstanding (Note 11):	**159,591,424**	138,890,460

See accompanying notes to the consolidated financial statements.

GoGold Resources Inc

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of United States dollars)

For the year ended	**September 30, 2015**	September 30, 2014 *(Restated – See Note 2)*
Cash provided by (used in) the following activities:		
Operating activities		
Net loss for the year	**$ (6,082)**	$ (6,587)
Items not involving cash:		
Amortization and depletion	**2,364**	49
Deferred income taxes	**491**	1,973
Foreign exchange loss	**5,741**	558
(Gain) loss on derivative liability	**(46)**	250
Deferred financing fees	**865**	-
Stock based compensation	**205**	282
Warrant incentive program	**-**	759
	3,538	(2,716)
Net change in non-cash working capital	**(7,563)**	(8,425)
Net cash used in operating activities	**(4,025)**	(11,141)
Investing activities		
Exploration and evaluation expenditures	**(6,831)**	(4,555)
Purchase of property, plant and equipment, net of credits	**(2,775)**	(30,037)
Net cash consideration on Animas acquisition (Note 8)	**-**	(4,834)
Net cash used in investing activities	**(9,606)**	(39,426)
Financing activities		
Principal payments on senior debt (Note 9)	**(31,323)**	-
Proceeds from senior debt (Note 9)	**27,315**	14,889
Issuance of common shares (net of issuance costs) (Note 11)	**16,194**	-
Proceeds on exercise of options (Note 11)	**222**	108
Proceeds on exercise of warrants (Note 11)	**951**	8,543
Net cash provided by financing activities	**13,359**	23,540
Net decrease in cash and cash equivalents	**(272)**	(27,027)
Foreign exchange impact on cash	**(419)**	240
Cash and cash equivalents, beginning of period	**3,412**	30,199
Cash and cash equivalents, end of period	**$ 2,721**	$ 3,412

See accompanying notes to the consolidated financial statements.

GOGOLD RESOURCES INC

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of United States dollars – As Restated, See Note 2)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Surplus (Deficit)	Non-controlling interest	Total equity
Balance at October 1, 2013	132,981,894	$ 94,182	$ 10,394	$ (2,985)	$ (7,691)	$ -	$ 93,900
Net loss	-	-	-	-	(6,587)	-	(6,587)
Other comprehensive loss	-	-	-	(6,547)	-	-	(6,547)
Stock-based compensation (Note 11)	-	-	410	-	-	-	410
Warrant incentive program (Note 11)	-	-	759	-	-	-	759
Warrant exercise (Note 11)	6,712,956	13,034	(4,491)	-	-	-	8,543
Option exercise (Note 11)	1,200,000	194	(86)	-	-	-	108
Acquisition of Animas Resources (Note 8)	5,786,841	5,805	-	-	-	1,953	7,758
Acquisition of NCI in Animas (Note 8)	1,149,339	1,470	-	-	(366)	(1,953)	(849)
Balance at September 30, 2014	147,831,030	114,685	6,986	- 9,532	- 14,644	-	97,495
Net loss	-	-	-	-	(6,082)	-	(6,082)
Other comprehensive loss	-	-		(5,098)	-	-	(5,098)
Stock-based compensation (Note 11)	-	-	322	-	-	-	322
Warrant exercises (Note 11)	737,473	1,447	(118)	-	-	-	1,329
Unexercised warrants and other	-	-	(526)	-	-	-	(526)
Option exercises (Note 11)	320,000	358	(136)	-	-	-	222
Shares issued, net of issuance costs (Note 11)	13,333,500	16,194	-	-	-	-	16,194
Balance at September 30, 2015	162,222,003	$ 132,684	$ 6,528	$ (14,630)	$ (20,726)	$ -	$ 103,856

See accompanying notes to the unaudited consolidated financial statements.

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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (''IASB'').

These financial statements were approved by the Board of Directors on December 16, 2015.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments that are measured at fair value through profit or loss.

These consolidated financial statements are presented in United States dollars ("US dollars", "USD"). The functional currency of GoGold Resources Inc. is the Canadian dollar. The functional currencies of the Corporation's foreign subsidiaries as of September 30, 2014 was the Mexican Peso. The Corporation determined that the functional currency of the foreign subsidiaries which operate the Parral tailings project changed from the Mexican Peso to the US dollar with effect from October 1, 2014. The foreign subsidiaries included in the change of functional currency were Grupo Coanzamex, S.A. de C.V., Coanzamex Servicios S.A. de C.V., and Servicios de Procesamiento Manufactura y Logistica Coanzamex S.A. de C.V. In making this change in functional currency to the US dollar, the Corporation followed the guidance in IAS 21 *The Effects of Changes in Foreign Exchange Rates* and have applied the change prospectively with the October 1, 2014 statement of financial position translated at the October 1, 2014 exchange rate of 1 Mexican Peso = $0.07447 US Dollar. The change in functional currency was triggered by the ramp up to commercial production and transition of the project from the construction phase to the operations phase, which resulted in the primary economic environment of the Parral subsidiaries becoming predominantly the US dollar.

In conjunction with the change in functional currency, the Corporation changed its presentation currency from the Canadian dollar to the US dollar on October 1, 2014. The change in presentation currency is to better reflect the Corporation's business activities and to improve an investor's ability to compare the Corporation's financial results with other publicly traded businesses in the mining industry. In making this change in presentation currency to the US dollar, the Corporation followed the guidance in IAS 21, and has applied the change retrospectively as if the US dollar had always been the Corporation's presentation currency, as follows:

- Assets and liabilities have been translated into the US dollar at the rate of exchange prevailing at the respective reporting dates;
- The statements of comprehensive loss were translated at the average exchange rates for the respective reporting periods, or at the exchange rates prevailing at the applicable transaction date.
- Equity transactions have been translated at the exchange rate prevailing at the date of the transactions; and

- Exchange differences arising on translation were recorded in accumulated other comprehensive loss in shareholders' equity.

The Corporation has presented a third statement of financial position as at October 1, 2013 without the related notes except for the disclosure requirements outlined in IAS 1 *Presentation of Financial Statements*. In addition, the comparative figures on the statement of operations were amended to conform to the current presentation.

The Corporation translates foreign operations into US dollars (the presentation currency) using the direct method.

c) Use of estimates and judgments

The preparation of the consolidated 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.

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements as well as estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Asset acquisitions:
The Corporation applies judgement in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established; whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves. The Corporation has considered all exploration and evaluation assets acquired to date to be asset acquisitions.

Commercial production:
The Corporation makes judgements about which indicators to consider when evaluating whether a project has reached commercial production, which may impact the timing and amount of depreciation and depletion, the amount of revenue recognized, as well as operating expenses recognized. The Corporation determined that the Parral Tailings project had reached an adequate level of metal production, metal recovery and tonnage stacked on the heap leach pad to achieve commercial production on March 1, 2015.

Estimate of recoverability for non-financial assets:
Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Corporation's accounting policy, each non-financial asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment, which would include a significant decline in the asset's market value, decline in resources and/or reserves as a result of geological re-assessment or change in timing of extraction of resources and/or reserves which would result in a change in the discounted cash flow obtained from the site, and lower metal prices or higher input cost prices than would have been expected since the most recent valuation of the site.

If any such indication exists, a formal estimate of recoverable amount is determined and an impairment loss recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs of disposal and value in use.

Value in use is generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is determined based on the present value of estimated future cash flows from each long-lived asset or cash generating unit. The assumptions used in determining the fair value less costs of disposal are typically life of mine plans, long-term commodity prices, discount rates, foreign exchange rates, and net asset value multiples.

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs and future capital expenditures.

Exploration and evaluation assets:
Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for mineral properties. The technical feasibility and commercial viability is based on management's evaluation of the geological properties of an ore body based on information obtained through evaluation activities, including metallurgical testing, resource and reserve estimates and economic assessment whether the ore body can be mined economically. Once technical feasibility and commercial viability of a mineral property can be demonstrated, exploration costs will be assessed for impairment and reclassified to property, plant and equipment and subject to different accounting treatment.

Identification of functional currency
The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgment in determining the primary economic environment by considering the currency and economic factors that mainly influence sales prices, production and operating costs, financing and related transactions.

Inventory – ore in process:
The Corporation makes estimates of gold and silver recoverable from ore stacked on leach pads in the determination of ore in process inventory. The quantities of recoverable gold and silver placed on the leach pads are reconciled to the quantities of gold and silver actually recovered (metallurgical balancing), by comparing the estimate of contained ounces placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold and silver from a leach pad will not be known until the leaching process is completed. Leach pad recovery estimates are used in the determination of the Corporation's inventories.

Inventory – valuation:
The Corporation values inventory at the lower of cost and net realizable value. The calculation of net realizable value relies on forecasted gold prices, forecasted exchange rates, and estimated costs to complete the processing of ore inventory.

Provisions for site restoration:
The Corporation makes estimates for the timing and amount of future cash flows required to settle the Corporation's reclamation provisions. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. In view of uncertainties concerning environmental rehabilitation, the ultimate costs could be materially different from the amounts estimated.

Share-based payments:
The Corporation issues equity-settled share-based payments to certain employees, directors, and third parties outside the Corporation. Equity-settled share-based payments issued to employees are measured at fair value (excluding the effect of nonmarket based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and dividend yields based on information available at the time the fair value is measured. Share-based payments issued to third parties are measured at the fair value of the goods or services received except when the fair value cannot be determined reliably, in which case, they are measured at the fair value of the equity instruments granted.

Taxation:
The Corporation's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from tax loss carry-forwards,

capital losses and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends and other capital management transactions.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except for the change in functional currency as described in Note 2(b).

a) Basis of consolidation

The consolidated financial statements are presented in USD and include the accounts of the Corporation and the following subsidiaries:

Company	Principal activity	Country of incorporation	Sept. 30/15 Functional currency	Sept. 30/14 Functional currency
Mexican Gold Holdings Corporation Incorporated	Holding company	Canada	CAD	CAD
North American Gold Holdings Corporation Incorporated	Holding company	Canada	CAD	CAD
Minera Durango Dorado S.A. de C.V.	Gold and silver exploration	Mexico	MXN	MXN
Absolute Gold Holdings Incorporated	Holding company	Canada	CAD	CAD
AGHI Holdings Incorporated	Holding company	Canada	CAD	CAD
Grupo Coanzamex S.A. de C.V.	Gold and silver production	Mexico	USD	MXN
Coanzamex Servicios S.A. de C.V.	Gold and silver production	Mexico	USD	MXN
Servicios de Procesamiento Manufactura y Logistica Coanzamex S.A. de C.V.	Gold and silver production	Mexico	USD	MXN
Animas Resources Ltd.	Holding company	Canada	CAD	CAD
First Silver Reserve, S.A. de C.V.	Holding company	Mexico	MXN	MXN
Recursos Escondidos, S.A. de C.V.	Holding company	Mexico	MXN	MXN
Coanzamex Santa Gertrudis, S.A. de C.V.	Gold and silver exploration	Mexico	MXN	MXN

All subsidiaries are 100% owned.

i) Subsidiaries

Subsidiaries are entities over which the Corporation has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Corporation controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation and cease to be consolidated from the date on which control is transferred out of the Corporation. A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

ii) Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency

i) Foreign currency transactions

In preparing the financial statements of each individual corporate entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ii) Foreign operations

These consolidated financial statements are presented in USD. The results and financial position of all the Corporation's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- shareholders' equity is translated at historical rates of exchange;
- intercompany loans are translated at historical rates of exchange as they are considered part of the net investment in foreign subsidiaries and for which settlement is neither planned nor likely to occur in the foreseeable future;
- other assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- income and expenses for each income statement presented are translated at monthly average exchange rates; and
- all resulting exchange differences are recognized within Accumulated Other Comprehensive Income ("AOCI") which is a separate component of equity.

On the loss of control of a foreign operation, all the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are recognized in the income statement as part of the gain or loss on loss of control.

Fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in AOCI.

c) Financial instruments

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Corporation determines the classification of its financial assets on initial recognition.

The Corporation's financial instruments are comprised of the following:

Financial assets:	Classification:
Cash	Fair value through profit or loss
Trade receivables	Loans and receivables

Financial liabilities:	Classification:
Trade and other payables	Other financial liabilities
Derivative financial instruments	Fair value through profit or loss
Long term debt	Other financial liabilities

(i) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the consolidated statement of operations when the loans and receivables are derecognized or impaired, as well as through the amortization process.

(iii) Available for sale investments:

Financial assets classified as available for sale are measured at fair value, with changes in fair values recognized in other comprehensive income, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in other comprehensive income is recognized within the consolidated statement of operations.

(iv) Derivative financial instruments:

The Corporation has entered into derivative financial instruments to hedge its risk exposure to fluctuations of the Mexican Peso compared to the U.S. dollar. The Corporation has elected not to use hedge accounting and the derivative instruments are classified as financial instruments at fair value through profit or loss.

Derivative financial instruments at fair value through profit or loss are recorded in the consolidated balance sheets at fair value. Subsequent to initial recognition, these derivatives are measured at fair value. The fair value of derivative financial instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument. Changes in estimated fair value at each reporting date are included in the consolidated statements of earnings as derivative gains or losses.

(v) Fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Corporation's financial assets measured at fair value, as at September 30, 2014 and September 30, 2013, which include cash and short-term deposits are classified as a Level 1 measurement.

(vi) Impairment of financial assets:

Financial assets are assessed for indicators of impairment at each financial reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

d) Exploration and evaluation assets

Pre-exploration expenditures are expensed as incurred.

All direct costs related to the acquisition and exploration of resource property interests are capitalized by property. Exploration and evaluation assets include expenditures on acquisition of rights to explore, studies, exploratory drilling, trenching, sampling, and other direct costs related to the exploration or evaluation of a project. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are directly related to operational activities in a particular area of interest.

Exploration and evaluation assets are initially measured at cost and classified as tangible assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash-generating unit level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the financial year in which this is determined. Exploration and evaluation assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions below is met:

- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Where a project is determined to be technically viable and commercially feasible and a decision has been made to proceed with development with respect to a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is reclassified as a development asset in property, plant and equipment. A project is considered to be technically viable and commercially feasible when a full technical report is prepared, construction financing is arranged, and board approval to proceed with construction is obtained.

e) Property, plant and equipment

Recognition and measurement
Land is stated at historical cost. All items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and capitalized interest and any other costs directly attributable to bringing the assets to working condition for their intended use.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

The carrying amount of any replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation
Depreciation of plant and equipment is calculated using the straight-line method, or unit-of-production method if that is more reflective of the usage, to allocate their cost net of their residual values, over the shorter of their estimated useful lives and the life of mine. Depreciation commences when the asset is fully constructed and available for use. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation categories and useful lives for items included in plant and equipment are as follows:

Asset	**Useful life**
Buildings & Infrastructure	9 years
Office equipment	3 years
Other equipment	3 years
Process plant	Unit-of-production
Vehicles	4 years

Development assets
Development assets include costs transferred from exploration and evaluation assets once technical feasibility or commercial viability of an area of interest are demonstrable, and development assets also includes subsequent costs to develop the mine to the production phase. Once commercial production is achieved, development assets are reclassified to mining properties or plant and equipment.

Mining Properties
Mining properties include costs transferred from development assets once commercial production has been achieved for the area of interest, and mining properties also includes subsequent costs incurred in further developing the area of interest.

Depletion of mining properties is calculated on the basis of units of production and commences when the mine starts commercial production. Depletion is based on assessments of measured and indicated reserves and the portion of resources expected to be added to be reserves available to be mined by the current production equipment to the extent that such reserves are considered to be economically recoverable.

f) Impairment of non-financial assets

The net carrying amounts of property and equipment are reviewed for impairment either individually or at the cash-generating unit level when events and changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. To the extent that the net carrying amounts exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment charge is recognized in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognized. As a result, a reversal is recognized in profit or loss.

g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets and deferred income tax liabilities of the same taxable entity are offset when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities. The principal temporary differences arise from amortization and depreciation on property, plant and equipment, tax losses carried forward and fair value adjustments on assets acquired in business combinations.

h) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments on the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Corporation's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

i) Earnings per share

The Corporation presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares. All share options are currently anti-dilutive. As a result basic and diluted earnings per share are the same.

j) Reclamation liabilities

Provisions for environmental restoration are recognized when: (i) the Corporation has a present legal or constructive obligation as a result of past exploration, development or production events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) and the amount has been reliably estimated. Provisions do not include any additional obligations which are expected to arise from future disturbance.

k) Inventories

Finished goods inventory
Finished goods inventory consists of doré bars which have been poured, and is valued at the lower of average cost and net realizable value.

Ore in process inventory
Ore in process inventory is measured at the lower of cost and net realizable value. The recovery of gold and silver is achieved through milling and heap leaching processes. Costs are added to ore on leach pads based on the current processing cost, including applicable overhead, depletion and amortization relating to mining and processing operations. Costs are removed from ore on leach pads as ounces are recovered, based on the average cost per recoverable ounce of gold and silver in ore in process inventory.

Supplies inventory
Supplies inventory consists of processing supplies and consumables used in the operation of the project, and is valued at the lower of average cost and net realizable value.

l) Revenue recognition

Revenue from the sale of gold, silver and doré, including by-product revenue, is recognized when persuasive evidence of a sale arrangement exists, the risks and rewards of ownership pass to the purchaser, the selling price is measurable, and collectability is probable. The risks and rewards of ownership are considered to have been transferred when title passes to the customer. Revenue from the sale of gold, silver and doré is measured at the fair value of the consideration received or receivable, and may be subject to adjustment once final weights and assays are determined. Sales related to development assets are not recorded as revenue, but are capitalized as an offset to the development cost.

4. ACCOUNTING CHANGES AND RECENT PRONOUNCEMENTS

The Corporation adopted the following accounting standards and amendments to accounting standards, effective October 1, 2014:

a) Levies

The IASB issued IFRIC 21, Levies in May 2013, which provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. There was no impact on the Corporation's consolidated financial statements upon the adoption of this standard.

b) Recoverable amount disclosures for non-financial assets

In May 2013 the IASB issued amendments to IAS 36 to reverse the unintended requirement in IFRS 13 Fair Value Measurement, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. There was no impact on the Corporation's consolidated financial statements upon the adoption of this standard.

A number of new standards, and amendments to standards and interpretations under IFRS, are not yet effective for the year ending September 30, 2015, and have not been applied in preparing these consolidated financial statements.

a) Revenue from Contracts with Customers

On May 28, 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for fiscal years ending on or after December 31, 2017 and is available for early adoption. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning on October 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

b) Financial instruments

IFRS 9, Financial Instruments, will replace IAS 39, Financial Instruments: Recognition and Measurement, and some of the requirements of IFRS 7, Financial Instruments: Disclosures. The objective of IFRS 9 is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The IASB has determined the revised effective date for IFRS 9 will be for annual periods beginning on or after January 1, 2018. The Corporation will evaluate the impact of the change to the consolidated financial statements based on the characteristics of financial instruments outstanding at the time of adoption.

c) Joint Arrangements

In May 2014, the IASB issued amendments to IFRS 11, *Joint Arrangements* ("IFRS 11"), to clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply all of the principles of business combinations accounting in IFRS 3, *Business Combinations*. Prospective application of this interpretation is effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The Corporation is currently assessing the impact of adopting this standard on its consolidated financial statements.

(in thousands of United States dollars unless otherwise stated)

5. INVENTORIES

	September 30, 2015	*(As Restated – Note 2)* September 30, 2014
Current:		
Supplies inventory	**$ 771**	$ 305
Ore in process inventory	**10,241**	1,204
Finished goods inventory	**78**	-
	11,090	1,509
Long term:		
Ore in process inventory	**1,091**	-
	$ 12,181	$ 1,509

The amount of inventory included in cost of sales was $4,675 (2014 – Nil).

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Plant & Equipment	Mining Properties	Development Assets	Total
At October 1, 2013 *(Restated – Note 2)*	$ 267	$ -	$ 52,822	$ 53,089
Acquired as part of Animas acquisition	8	-	-	8
Additions, net of metal sales	42	-	33,277	33,319
Foreign exchange adjustments	(10)	-	(5,217)	(5,227)
At September 30, 2014 *(Restated – Note 2)*	$ 307	$ -	$ 80,882	$ 81,189
Additions, net of metal sales	2,493	270	(294)	2,469
Foreign exchange adjustments	(41)	-	-	(41)
Reclassifications	26,424	54,164	(80,588)	-
At September 30, 2015	**$ 29,183**	**$ 54,434**	**$ -**	**$ 83,617**

Accumulated Amortization	Plant & Equipment	Mining Properties	Development Assets	Total
At October 1, 2013 *(Restated – Note 2)*	$ 75	$ -	$ -	$ 75
Amortization and depletion	49	-	-	49
Foreign exchange adjustments	(4)	-	-	(4)
At September 30, 2014 *(Restated – Note 2)*	$ 120	$ -	$ -	$ 120
Amortization and depletion	3,386	1,605	-	4,991
Foreign exchange adjustments	1	-	-	1
At September 30, 2015	**$ 3,507**	**$ 1,605**	**$ -**	**$ 5,112**

Carrying Value	Plant & Equipment	Mining Properties	Development Assets	Total
At September 30, 2014 *(Restated – Note 2)*	$ 187	$ -	$ 80,882	$ 81,069
At September 30, 2015	**$ 25,676**	**$ 52,829**	**$ -**	**$ 78,505**

(in thousands of United States dollars unless otherwise stated)

The Parral Tailings project achieved commercial production on March 1, 2015, resulting in a reclassification from development assets to plant and equipment of $26,424 and mining properties of $54,164. Included in current year additions to development assets is capitalized interest of $1,301 (2014 - $2,542) related to the construction of the Parral Tailings project. Metal sales of $6,797 (2014 - $2,143) which occurred prior to achieving commercial production have been recorded as an offset to additions to development assets. Current year additions to amortization and depletion include amounts of $2,627 (2014 - $Nil) which are capitalized in ore in process inventory.

7. EXPLORATION AND EVALUATION ASSETS

Cost	San Diego	Santa Gertrudis	Total
At October 1, 2013 *(Restated – Note 2)*	$ 25,505	$ -	$ 25,505
Acquired as part of acquisition of Animas	-	12,354	12,354
Additions	774	4,188	4,962
Foreign exchange adjustments	(1,250)	(537)	(1,787)
At September 30, 2014 *(Restated – Note 2)*	$ 25,029	$ 16,005	$ 41,034
Additions	508	6,440	6,948
Foreign exchange adjustments	(5,010)	(3,912)	(8,922)
At September 30, 2015	**$ 20,527**	**$ 18,533**	**$ 39,060**

8. ACQUISITION OF ANIMAS RESOURCES LTD.

On February 28, 2014, the Corporation acquired 60,187,546 common shares of Animas Resources Ltd. ("Animas" or the "Animas Shares"), representing approximately 81.74% of Animas' issued and outstanding shares. The principal asset of Animas is a 100% interest in the Santa Gertrudis Property located in the Santa Teresa District, Cucurpe, Sonora State, Mexico. Each Animas shareholder received 0.0851 common shares of the Corporation and CAD $0.07 in cash for each Animas Share held. Cash of $3,825 was paid and a total of 5,121,960 common shares of the Corporation were issued in exchange for the Animas Shares, and 664,881 common shares of the Corporation were issued in exchange for all of Animas' 12,500,000 outstanding share purchase warrants ("Animas Warrants").

The transaction was accounted for as a purchase of assets.

The total purchase price of the initial purchase on February 28, 2014 of $11,743 was allocated to the assets acquired and the liabilities assumed based on the fair values of the net assets acquired.

The purchase price was calculated as follows:

Consideration paid	
Issuance of 5,121,960 common shares	$ 4,907
Cash	3,825
Issuance of 664,881 common shares in exchange for Animas Warrants	898
Fair value of non-controlling interest	1,953
Transaction costs	219
Less: Cash and cash equivalents acquired	(59)
	$ 11,743

(in thousands of United States dollars unless otherwise stated)

Net assets acquired	
Current assets	$ 14
Property and equipment	8
Mineral property	12,354
Current liabilities	(633)
	$ 11,743

Total purchase consideration was determined based on the market price of the 60,187,546 Animas common shares of CAD $0.16 that were acquired on the closing date. The share consideration issued in the transaction of $4,907 was determined based on the total consideration, less the cash paid $3,825, being CAD $0.07 for each Animas share acquired. The non-controlling interest has been measured at fair value at the acquisition date, based on the market price of the Animas shares of CAD $0.16 per share.

There was no net loss or comprehensive income attributable to the non-controlling interest during the period when it was recorded.

On April 23, 2014, the Corporation acquired all the remaining 13,443,338 common shares of Animas under the same terms as the initial investment. Cash of $849 was paid and a total of 1,144,020 common shares of the Corporation were issued to acquire the remaining Animas common shares. The Corporation also issued 5,319 common shares of the Corporation for all of the outstanding in-the-money options of Animas. As the market price of the Animas shares had increased to CAD $0.19 per share from the initial valuation date, a corresponding adjustment to deficit was recorded. The following table shows the effects of the elimination of the non-controlling interest:

Issuance of 1,149,339 common shares	$ 1,470
Cash	849
Less: Fair value of non-controlling interest acquired	(1,953)
Resulting charge to deficit	$ 366

9. LONG TERM DEBT

	September 30, 2015	*(As Restated – Note 2)* **September 30, 2014**
(a) Senior revolving credit facility	**$ 27,357**	$ -
(b) Senior debt	**-**	30,242
	27,357	30,242
Less: current portion	**-**	(13,047)
	$ 27,357	$ 17,195

Interest expense of $943 (2014 – Nil) is included in finance costs for the year ended September 30, 2015.

(a) Senior revolving credit facility

The senior revolving credit facility is a $50,000 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, and matures on July 21, 2018, and may be extended upon mutual agreement by both parties. No 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. As of September 30, 2015, the Corporation was in compliance with all covenants.

(in thousands of United States dollars unless otherwise stated)

During the year ended September 30, 2015, the Corporation received proceeds of $28,000, and made no repayments under the facility.

(b) Senior debt

The senior debt was fully repaid on July 21, 2015. The debt bore interest at LIBOR plus 6.5 per cent, with a minimum rate of 7.5%. At July 21, 2015, the minimum rate of 7.5% applied which after taking into consideration all associated financing costs, resulted in an effective interest rate on the debt of 10.3%. The debt had pledged as security a first charge over all of the Corporation's assets, which was fully discharged on July 21, 2015.

10. PROVISION FOR SITE RESTORATION

The Corporation has recorded a provision for site restoration related to the Parral project based on management's best estimate of the future cash flows associated with restoration obligations at the end of the project's life. The total undiscounted amount of estimated cash flows required to settle the obligation is $1,619 (2014 - $2,820). The cash flows have been inflated by an annual rate of 2.5% (2014 – 4.2%), and discounted using a pre-tax risk-free rate of 6.1% (2014 – 6.1%).

	September 30, 2015
Provision, beginning of year	$ 1,473
Accretion expense	71
Revision to estimate	(591)
Provision, end of year	$ 953

11. 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, 2013 *(As Restated – Note 2)*	132,981,894	$ 94,182
Shares issued for Animas shares	6,271,299	6,377
Shares issued for Animas warrants	664,881	898
Shares issued for exercise of options	1,200,000	194
Shares issued for exercise of warrants	6,712,956	13,034
Balance September 30, 2014 *(As Restated – Note 2)*	147,831,030	$ 114,685
Shares issued, net of issuance costs	13,333,500	16,194
Shares issued for exercise of options	320,000	358
Shares issued for exercise of warrants	737,473	1,447
Balance September 30, 2015	162,222,003	$ 132,684

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.

(in thousands of United States dollars unless otherwise stated)

The weighted average number of common shares outstanding for the year ending September 30, 2015 was 159,591,524 (2014 - 138,890,460).

(c) Finder's stock options

The changes in finder's options during the years ended September 30, 2015 and September 30, 2014 were as follows, all exercise prices are denoted in Canadian Dollars ("CAD"):

	September 30, 2015			September 30, 2014		
	Number of finder's options	Weighted average exercise price	Remaining contractual life (years)	Number of finder's options	Weighted average exercise price	Remaining contractual life (years)
Opening balance	170,000	CAD $ 1.25	0.23	170,000	CAD $ 1.25	1.25
Exercised	(170,000)	1.25	-	-	-	-
Closing balance	-	-	-	170,000	1.25	0.23
Exercisable	-	-	-	170,000	CAD $ 1.25	0.23

The market price on the exercise date was CAD $1.50 (2014 – nil)

(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. 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 years ended September 30, 2015 and September 30, 2014 were as follows:

	September 30, 2015		September 30, 2014	
	Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance	3,515,000	CAD $ 1.22	3,690,000	CAD $ 0.83
Granted	-	-	1,025,000	1.33
Exercised	150,000	0.30	(1,200,000)	0.10
Closing balance	3,365,000	CAD $ 1.26	3,515,000	CAD $ 1.22
Exercisable	2,523,333	CAD $ 1.24	2,123,333	CAD $ 1.15

The average market price on the day of exercise was CAD$1.26 (2014 – CAD $1.47)

The following table summarizes information concerning outstanding and exercisable finder's and incentive stock options at September 30, 2015:

(in thousands of United States dollars unless otherwise stated)

	Outstanding		Exercisable	
Expiry date	Number of options	Exercise price (CAD $)	Number of options	Exercise price (CAD $)
February 15, 2016	80,000	0.80	80,000	0.80
July 8, 2016	835,000	0.90	835,000	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	233,333	1.40
March 1, 2018	150,000	1.26	150,000	1.26
May 16, 2018	125,000	1.30	83,333	1.30
December 9, 2018	450,000	1.00	150,000	1.00
February 12, 2019	100,000	1.50	33,333	1.50
March 17, 2019	325,000	1.60	108,333	1.60
July 9, 2019	50,000	1.60	16,667	1.60
	3,365,000	CAD $ 1.26	2,523,333	CAD $ 1.24

On January 22, 2015 an agreement was entered into which extended stock options which were set to expire on February 7, 2015 to February 7, 2017. The options' fair value was reassessed both immediately preceding the extension and after the extension, with the resulting charge of $93 recorded through stock based compensation. The Black-Sholes option pricing model was used with the following assumptions:

	Before Extension	After Extension
Exercise price	CAD $ 1.53	CAD $ 1.53
Risk-free rate	0.46%	0.46%
Expected volatility of share price	48.0%	48.0%
Expected dividend yield	0.00%	0.00%
Expected life of each option	0.04 years	2.04 years
Weighted average grant date fair value	USD $ 0.05	USD $ 0.34
Increase in value (325,000 options)		$ 93

The compensation charges for the outstanding incentive stock options granted during the year ended September 30, 2014 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. 9, 2013	Feb. 12, 2014	Mar. 17, 2014	Jul. 9,, 2014
Exercise price	CAD $ 1.00	CAD $ 1.50	CAD $ 1.60	CAD $ 1.60
Risk-free rate	1.82%	1.34%	1.31%	1.19%
Expected volatility of share price	69.6%	63.1%	63.7%	44.2%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life of each option	5.0 years	3.5 years	3.5 years	2.8 years
Weighted average grant date fair value	CAD $ 0.50	CAD $ 0.69	CAD $ 0.70	CAD $ 0.42

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.

(in thousands of United States dollars unless otherwise stated)

The Corporation has recorded total share based payments of $322 (2014 - $410), which has been recorded as compensation expense amounting to $205 (2014 - $282) and as additions to exploration and evaluation assets of $117 (2014 -$128).

(e) Warrants

At September 30, 2015, the Corporation had nil (2014 – 8,045,840) warrants outstanding, including 2,000,000 warrants with an exercise price of CAD $1.50 that expired on September 27, 2015 and 5,308,367 warrants with an exercise price of CAD $1.50 that expired on January 24, 2015.

The changes in warrants during the years ended September 30, 2015 and September 30, 2014 were as follows:

	September 30, 2015			September 30, 2014		
	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	14,150,000	CAD $ 1.50	1.25
Exercised	(737,473)	1.50	-	(6,104,160)	CAD $ 1.50	-
Expired	(7,308,367)	1.50	-	-	-	-
Closing balance	-	-	-	8,045,840	1.50	0.49
Exercisable	-	-	-	8,045,840	CAD $ 1.50	0.49

The average market price on the days of exercise for the year ended September 30, 2015 was CAD $1.62 (September 30, 2014 – CAD $1.55).

During the year ended September 30, 2014, the CAD $1.50 warrants with an expiration date of January 24, 2015 were subject to a warrant incentive program, where the number of common shares issuable upon the exercise of each warrant increased from 1.0 to 1.1. As a result of this, the warrants' fair value was reassessed both immediately preceding and at the beginning of the incentive program period, which was on June 24, 2014, at which point there were 12,150,000 warrants outstanding. The Black-Scholes option pricing model was used with the following assumptions:

	Before Incentive Program June 23, 2014	Start Incentive Program June 24, 2014
Effective exercise price	CAD $1.50	CAD $1.36
Risk-free rate	1.09%	1.09%
Expected volatility of the Corporation's share price	51.5%	51.5%
Expected dividend yield	0.00%	0.00%
Expected life of each option	0.6 years	0.6 years
Valuation per option	USD $0.24	USD $0.30
Increase in value attributed to warrant incentive program		USD $0.06
Increase for 12,150,000 warrants		$759

(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 September 30, 2015, 3,365,000 options (2014 – 3,685,000) and Nil warrants (2014 – 8,045,540) were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

(in thousands of United States dollars unless otherwise stated)

12. INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and (liabilities) are presented below:

	Year ended September 30, 2015	Year ended September 30, 2014
Resource properties	$ (6,417)	$ (6,900)
Non-capital loss carryforwards	5,817	6,895
Deferred financing fees	(265)	(202)
Mexican mining tax	(1,488)	(1,855)
Other	(274)	85
	$ (2,627)	**$ (1,977)**

At the end of December 2013, the Mexican Government substantively enacted new tax legislation effective January 1, 2014. As a result, in the future the Corporation will not be permitted to deduct prior capital expenditures on the San Diego and Santa Gertrudis mining project in respect of determining the Mexican mining tax. This tax does not apply to the Parral project as the Corporation is not the concession holder.

The following deductible temporary difference and non-capital losses have not been recognized in the consolidated financial statements:

	Year ended September 30, 2015	Year ended September 30, 2014
Non-capital losses	$ 15,271	$ 11,905
Capital losses	888	-
Deferred financing fees and share issue costs	1,511	1,239
Foreign exchange loss on debt	767	685
Resource properties	58	69
Other	178	11
	$ 18,673	**$ 13,909**

The non-capital losses noted above expire from 2028 to 2035.

The aggregate temporary difference associated with investments in subsidiaries for which no deferred tax liabilities have been recorded is $29.2 million (2014 - $25.1 million). It is not expected that the aggregate temporary difference will reverse in the foreseeable future.

Income taxes vary from the amount that would be computed by applying the basic Federal and Provincial tax rate of 31.0% (2014 – 31.0%) to loss before taxes as follows:

	Year ended September 30, 2015	Year ended September 30, 2014
Loss before taxes	$ (5,521)	$ (4,487)
Computed expected recovery	(1,712)	(1,391)
Foreign tax rate differential	12	23
Permanent differences	1,099	965
Current year loss for which no asset recognized	1,663	1,291
Mexican mining tax	-	1,868
Effect of foreign exchange	(1,694)	-
Change in unrecognized temporary differences	1,030	(645)
	$ 398	**$ 2,111**

(in thousands of United States dollars unless otherwise stated)

13. RELATED PARTY TRANSACTIONS

Included in general and administrative expense during the year ended September 30, 2015 are insurance premiums amounting to $Nil (2014 - $58), as well as premiums amounting to $Nil (2014 - $115) capitalized to development assets. These amounts were paid to a corporation where a significant interest was owned by a director of the Corporation. As the director ceased to own a significant interest in the corporation as of July 2, 2014, only insurance premiums paid up to this date are deemed a related party transaction.

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. Compensation to directors and officers of the Corporation:

	Year ended September 30, 2015	Year ended September 30, 2014
Directors' fees	$ 67	$ 76
Share-based payments to directors	6	30
Key management short-term benefits	876	892
Share-based payments to key management	56	173

14. 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 with September 30, 2014 amounts restated as per Note 2:

	Mexico	Canada	Total
For the year ended September 30, 2015:			
Depreciation	$ 2,364	$ -	$ 2,364
Segment net income (loss)	2,987	(9,069)	(6,082)
Expenditures on non-current assets	9,606	-	9,606
For the year ended September 30, 2014:			
Depreciation	$ 44	$ 5	$ 49
Segment net loss	(2,375)	(4,212)	(6,587)
Expenditures on non-current assets	34,592	-	34,592
Reportable segment assets (September 30, 2015)	$ 138,450	$ 2,146	$ 140,596
Reportable segment liabilities (September 30, 2015)	8,840	27,900	36,740
Reportable segment assets (September 30, 2014)	$ 132,058	$ 2,712	$ 134,770
Reportable segment liabilities (September 30, 2014)	6,002	31,273	37,275

Included in segment net loss in Canada for the year ended September 30, 2015 are foreign exchange losses of $4,159 (2014 - $589).

(in thousands of United States dollars unless otherwise stated)

15. 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 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.

	September 30, 2015		*(As Restated – Note 2)* **September 30, 2014**	
	Level 1	Level 2	Level 1	Level 2
Cash	$ 2,721	-	$ 3,412	-
Trade receivables	1,145	-	1,288	-
Trade and other payables	5,588	-	2,852	-
Long term debt	-	$ 27,357	-	$ 30,242
Derivative liabilities	-	174	-	597

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:

	September 30, 2015	*(As Restated – Note 2)* **September 30, 2014**
Shareholders' equity	$ 103,856	$ 97,495
Current and long term debt	27,357	30,242
	131,213	127,737
Less: cash	(2,721)	(3,412)
	$ 128,492	$ 124,325

(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 $81 and value added tax from the Federal Government of Mexico of $5,654. 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 on a cash call basis 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 will be affected by foreign exchange fluctuations and will affect the Corporation's net loss. At September 30, 2015, GoGold Resources Inc. had net monetary liabilities in US dollars of $25,369 (September 30, 2014 - $30,242), for which a 10% appreciation in US exchange rates would affect net loss by approximately $2,537, which would then be offset by a corresponding gain recorded through foreign currency translation differences recorded through other comprehensive income. At September 30, 2015, the Corporation had net monetary assets in Mexican Pesos of approximately $509 (September 30, 2014 - $4,135), for which a 10% appreciation in Mexican Peso exchange rates would reduce net loss by approximately $51.

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 debt as detailed in Note 9 bears interest based on the LIBOR rate, for which a 10% increase or decrease would result in an increase of annual interest expense of $5.

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 September 30, 2015, the Corporation had cash balances of $2,721 (September 30, 2014 - $3,412) for settling current liabilities of $5,803 (September 30, 2014 - $16,630). Of the Corporation's current financial liabilities, $5,588 (September 30, 2014 - $2,852) have contractual maturities of 30 days and are subject to normal trade terms, and $nil (September 30, 2014 - $13,047) are the current portion of long term debt due within one year as per the details in Note 9. As of September 30, 2015, the Corporation had $22,000 available on the senior revolving credit facility as detailed in Note 9, which ensured there would be sufficient liquidity to fund current operations as well as development of assets.

(d) Non-hedge derivatives:

As at September 30, 2015, the Corporation held 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 USD of $15.80 and a put option of $17.01. The contracts began on September 1, 2015 and expire on August 31, 2016. These contracts had a negative fair value of $174 as of September 30, 2015, all of which has been recognized in net income.

(in thousands of United States dollars unless otherwise stated)

16. COMMITMENTS

The Corporation, through its subsidiary Coanzamex, has an option agreement with the Municipality of Parral, Mexico ("Town") to mine and process tailings material for precious metal recovery. The Town is entitled to a 12% net profits interest ("NPI") after the deduction of costs and capital depreciation as well as a $30 per month property payment to the municipality. 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:

	2016	2017	2018	2019	2020
Work commitments - San Diego	$ 178	$ 178	$ 178	$ 178	$ 178
Minimum royalty and rent of land - Parral	940	940	940	940	940
Work commitments - Santa Gertrudis	186	186	186	186	186
	$ 1,304	$ 1,304	$ 1,304	$ 1,304	$ 1,304