Goldgroup Mining Inc.

Consolidated Financial Statements
For the years ended December 31, 2015 and 2014
(expressed in thousands of US dollars, except where indicated)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Goldgroup Mining Inc.

We have audited the accompanying consolidated financial statements of Goldgroup Mining Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and 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 the auditors' 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, the auditor considers 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, these consolidated financial statements present fairly, in all material respects, the financial position of Goldgroup Mining Inc. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Goldgroup Mining Inc.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 30, 2016

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Goldgroup Mining Inc.

Consolidated Statements of Financial Position

(amounts expressed in thousands of US dollars, except where indicated)

	Note	December 31, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	6	$ 222	$ 12,859
Other receivables and prepaid expenses	5,6	675	625
Inventory	7	725	925
Restricted cash	6	420	-
		2,042	14,409
Investments	6,8	1,751	15,841
Receivables	5	2,175	2,639
Loans receivable	6,9	1,084	-
Property and equipment	10	830	969
Enterprise Resource Software	11	-	185
Exploration and evaluation properties	12	698	-
Development property	14	10,163	15,601
Total assets		$ 18,743	$ 49,644
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6,15,21	$ 4,603	$ 4,620
Tax payable	24	258	1,866
Promissory note	6,17	985	1,503
Loan payable	6,16	3,366	-
		9,212	7,989
Loan payable	6,16	-	4,444
Deferred income tax liabilities	24	-	607
Warrant liability	6,19	318	704
Decommissioning obligation	18	1,874	1,103
Total liabilities		11,404	14,847
Shareholders' equity			
Share capital	20	132,648	129,999
Contingent share consideration	26	3,305	5,572
Reserves		7,241	8,951
Deficit		(135,855)	(109,725)
Total shareholders' equity		7,339	34,797
Total liabilities and shareholders' equity		$ 18,743	$ 49,644

Nature of operations and going concern (note 1)
Commitments (note 26)
Subsequent events (note 29)

Approved by the Board of Directors

___________"Keith Piggott"_____________ Director ________"Corry Silbernagel"__________ Director

The accompanying notes are an integral part of these consolidated financial statements

Goldgroup Mining Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the year ended December 31, 2015 and 2014
(amounts expressed in thousands of US dollars, except where indicated)

	Note	2015	2014
Revenue			
Gold sales		$ -	$ 5,114
Silver sales		-	86
		-	5,200
Cost of operation			
Cost of sales	22	$ -	$ (5,001)
Depreciation and depletion	10	-	(439)
		-	(240)
Other (expenses) income			
Depreciation	10,11	(189)	(219)
Share-based compensation	20,21	(243)	(31)
General and administrative		(784)	(841)
Salary and consulting	21	(1,094)	(1,044)
Professional fees	21	(1,358)	(1,142)
Investment in associate – equity loss		-	9
Exploration expense		-	(51)
Finance income		-	49
Impairment – investment in associate	13	-	(18,178)
Impairment of mineral property and property and equipment	10,12,14	(8,551)	(42,656)
Impairment of available for sales investments	8	(10,214)	-
Loss on disposal of available for sale investments	8	(496)	-
Finance cost	23	(2,200)	(1,056)
Impairment of Monarch Loan Receivable	9	(749)	-
Gain on settlement of accounts payable		72	-
Gain from disposal of property and equipment		24	170
Unrealized derivative gain – warrant liability	19	386	631
Foreign exchange loss		(817)	(632)
Other (expense) income		(208)	337
Loss before income taxes		(26,421)	(64,894)
Income taxes expense – current		(25)	-
Income taxes recovery – future	24	316	7,919
Loss for the year		(26,130)	(56,975)
Other comprehensive (loss) income ("OCI")			
Unrealized gain (loss) on available for sale investments	8	(12,663)	1,953
Reclassification of loss on disposal included in net loss	8	496	-
Reclassification of impairment losses included in net loss	8	10,214	-
Loss and comprehensive loss for the year		$ (28,083)	$ (55,022)
Loss per share – basic & diluted		$ (0.17)	$ (0.39)
Weighted average shares outstanding (000's) – basic & diluted		153,307	139,565
Total shares issued and outstanding (000's)		167,095	145,095

The accompanying notes are an integral part of these consolidated financial statements

Goldgroup Mining Inc.

Condensed Statements of Cash Flows

For the year ended December 31, 2015 and 2014

(amounts expressed in thousands of US dollars, except where indicated)

	Notes	2015	2014
Cash provided by (used in) operating activities			
Loss for the year		$ (26,130)	$ (56,975)
Items not affecting cash:			
Depreciation	10	189	658
Deferred tax recovery		(316)	(7,919)
Share-based compensation charges	20	243	31
Unrealized foreign exchange gain		198	-
Finance cost		2,097	936
Impairment of Monarch Loan Receivable		749	-
Unrealized derivative gain – warrant liability		(386)	(631)
Gain on settlement of Accounts Payable		(72)	-
Impairment of mineral properties		8,551	42,656
Impairment of investment in associates		-	18,178
Impairment of available for sales investments		10,214	-
Loss on disposal of available for sale investments		496	-
Gain from disposal of PP&E		(24)	(170)
Other		1	(56)
Change in non-cash operating working capital			
Decrease in accounts receivable and prepaid expenses		416	3,294
Decrease in inventory		201	1,107
Increase (decrease) in tax payable		(1,608)	1,758
(Decrease) in accounts payable and accrued liabilities		(1,314)	(824)
		(6,495)	2,043
Cash flows provided by (used in) financing activities			
Issuance of shares, net of issuance costs		-	1,371
Private placement issuance costs		-	(100)
Repayment of loan payable to 0990718 BC Ltd	10	(60)	-
Repayment of principle of promissory note	5	(550)	-
Repayment of interest on promissory note	9	(100)	-
Repayment of loan payable	14	(3,328)	(4,722)
Proceeds from facility, net of fees		770	5,859
Repayment of interest and commitment fee on loan payable	14	(485)	(635)
		(3,753)	1,773
Cash flows provided by (used in) investing activities			
Proceeds from disposal of equipment		28	172
Purchase of property, plant and equipment	8	(918)	-
Proceeds from sale of available for sale investments	6	1,034	-
Increase in loans receivable	7	(2,101)	-
Investment in investment in associate		-	(113)
Developing and operating on mining operation		(10,575)	(7,363)
Recovery from pre-production sales	12	10,686	6,771
Exploration and evaluation property		(127)	(1,085)

Sale of Caballo Blanco		-	9,698
Cash acquired on El Mozo acquisition		4	-
Decrease in restricted cash		(420)	-
		(2,389)	8,080
(Decrease) increase in cash and cash equivalents		(12,637)	11,896
Cash and cash equivalents – beginning of year		12,859	963
Cash and cash equivalents – end of year		222	12,859
Cash		$ 222	$ 12,837
Cash equivalents		-	21
Cash and cash equivalents – end of year		$ 222	$ 12,859

Supplemental disclosure with respect to cash flows (note 28)

Goldgroup Mining Inc.

Consolidated Statement of Changes in Shareholders' Equity

(amounts expressed in thousands of US dollars, except where indicated)

	Notes	Shares ('000)	Share capital	Contingent shares (Note 14)	Share based compensation reserves	Foreign currency translation reserves	Investment revaluation reserves	Deficit	Total equity
January 1, 2015		145,095	$ 129,999	$ 5,572	$ 7,353	$ (355)	$ 1,953	$ (109,725)	$ 34,797
Loss for the year		-	-	-	-	-	-	(26,130)	(26,130)
Unrealized loss on investments	8	-	-	-	-	-	(12,663)	-	(12,663)
Impairment of investments	8	-	-	-	-	-	10,214	-	10,214
Loss on disposal of investments	8	-	-	-	-	-	496	-	496
Acquisition of 0990718 BC Ltd.	12	5,500	382	-	-	-	-	-	382
Shares issued on settlement of Oroco loan	26(d)	16,500	2,267	(2,267)	-	-	-	-	-
Share-based compensation	20	-	-	-	243	-	-	-	243
Balance at December 31, 2015		167,095	$ 132,648	$ 3,305	$ 7,596	$ (355)	$ -	$ (135,855)	$ 7,339
January 1, 2014		136,437	$ 128,768	$ 5,572	$ 7,322	$ (355)	$ -	$ (52,750)	$ 88,557
Loss for the year		-	-	-	-	-	-	(56,975)	(56,975)
Share issuance – Oroco Agreement	17	1,200	210	-	-	-	-	-	210
Private placement net of transaction costs		7,458	1,021	-	-	-	-	-	1,021
Unrealized gain on investments	8	-	-	-	-	-	1,953	-	1,953
Share-based compensation	20	-	-	-	31	-	-	-	31
Balance at December 31 , 2014		145,095	$ 129,999	$ 5,572	$ 7,353	$ (355)	$ 1,953	$ (109,725)	$ 34,797

The accompanying notes are an integral part of these consolidated financial statements

1 Nature of operations and Going Concern

Nature of operations

Goldgroup Mining Inc. is the parent company of its consolidated group ("Goldgroup" or the "Company"). Goldgroup was incorporated in Quebec under the Business Corporations Act (Québec) and on July 28, 2011 it was continued under the Business Corporations Act (British Columbia). Its head office is located at Suite 1502 – 1166 Alberni Street, Vancouver BC, V6E 3Z3. Goldgroup together with its subsidiaries, is a Canadian-based gold producer and is focused on the acquisition, exploration and development of advanced stage gold-bearing mineral properties in the Americas. The Company's current gold production and exploration and development related activities are conducted in Mexico and Ecuador. Goldgroup owns the Cerro Colorado mine in Sonora, along with a property portfolio that includes a 100% interest in the Cerro Prieto project in Sonora. In fiscal 2015 the Company purchased 0990718 B.C. Ltd. which holds an option in the El Mozo project in Ecuador (note 12). The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "GGA".

Going Concern

The Company has experienced recurring operating losses and has an accumulated deficit of $135,855 at December 31, 2015 (December 31, 2014 – $109,725). In addition, as at December 31, 2015, the Company has working capital of ($7,170) (December 31, 2014 - $6,420). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The continuing operations of the Company are dependent upon its ability to arrange additional financing and resolving the legal disputes with DynaResource, Inc. ("DynaUSA") (note 13). These matters result in material uncertainties which may cast significant doubt about the Company's on its ability to continue as a going concern. These financial statements do not include any adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the classifications used in the statement of financial position.

2 Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies set out below were consistently applied to all the years presented.

The Board of Directors approved these consolidated financial statements on March 30, 2016.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

3 Estimates, risks and uncertainties

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Significant judgments in applying accounting policies

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

(i) Impairment of assets

The carrying value of plant and equipment, exploration and evaluation properties and development properties is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values, including those of the cash-generating units, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

(ii) Economic recoverability and probability of future economic benefits of exploration and development costs

Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

(iii) Functional currency

The functional currency for each of the Company's subsidiaries, joint ventures and investments in associates, is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each entity is the US dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(iv) Commencement of commercial production

Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues. Commercial production is deemed to have occurred when management determines that, amongst other items, the completion of operational commissioning of major mine components has been reached, operating results, which includes the grade and volume of material mined, are being achieved consistently for a period of time, and there are indicators that these operating results will continue, all of which involve management judgments.

Key sources of Estimation Uncertainty

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Differences may be material.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

(i) Mineral Reserves

Proven and probable mineral reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. Qualified persons are defined in accordance with Canadian Securities Administrators National Instrument 43-101. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of exploration and evaluation properties, plant and equipment, decommissioning and restoration provision, recognition of deferred tax amounts and depreciation and depletion.

The recoverability of the mineral reserve amounts is dependent on the Company's ability to secure and maintain title and beneficial interests in the properties to obtain the necessary financing, to continue the exploration and future developments of the properties, and/or to realize the carrying amount through a sale or partial disposal.

(ii) Depreciation and depletion
Plants and other facilities used directly in mining activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves and a portion of measured and indicated and inferred resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on mineral reserves.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Inventories
For operating mines, expenditures incurred, and depreciation and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or net realizable value ("NRV"). Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation and depletion relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing), by comparing the grades of ore 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 from a pad will not be known until the leaching process is completed.

The allocation of costs to ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories. Such inventories are included in development costs until commercial production is achieved.

(iv) Decommissioning and restoration provision
The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

(v) Share-based payments
Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes

option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

For asset acquisitions, contingent share consideration is an estimate of the fair value of the contingent amounts expected to be payable in the future. The fair value is based on number of contingent shares, the share price of the Company on the date of acquisition and management's expectations of probability.

(vi) Contingencies
Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur. In the fourth quarter of 2012, the Mexican government amended the Federal labour law regarding subcontracting arrangements to prevent the use of service companies to reduce labour and tax obligations. The Company currently operates in Mexico using these subcontracting arrangements as is the common practice. The amendments also provided clarification on certain regulatory requirements associated with an employer's obligation to compensate employees with appropriate statutory profit sharing within Mexico. The Company has assessed the implications of these amendments and has determined that it is probable that no additional obligation for statutory profit sharing payments is required to be recorded by the Company.

(vii) Deferred taxes
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

(viii) Impairment

Non-current assets are tested for impairment if there is an indicator of impairment, and in the case of goodwill, at least annually. The impairment analysis requires the use of estimates and assumptions, including amongst others, long-term commodity prices, discount rates, length of mine life, future production levels, future operating costs, future capital expenditures and tax estimates. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances the carrying value of the assets may be impaired or a prior period's impairment charge reversed with the impact recorded in the statements of loss and comprehensive loss.

4 Significant accounting policies

Principles of consolidation

Subsidiaries

Subsidiaries are all entities controlled by the Company. An investor controls an investee when it is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. These consolidated financial statements include the financial statements of the Company and its subsidiaries:

	Property	Location	As at December 31, 2015	As at December 31, 2014
Subsidiaries				
Granmin Malaysia Ltd. ("Granmin Malaysia")	-	Malaysia	100%	100%
Granmin SA de CV ("Granmin Mexico")	Cerro Colorado	Mexico	100%	100%
Minera Calipuy SA de CV ("Calipuy")	-	Mexico	100%	100%
Goldgroup Resources Inc. ("Holdings")	-	Canada	100%	100%
GGR Candelero SA de CV ("GGR")	-	Mexico	100%	100%
Candymin SA de CV ("Candymin")	-	Mexico	100%	100%
0919921 B.C. Ltd.	-	Mexico	100%	100%
Gold Opmin SA de CV ("Gold Opmin")	-	Mexico	100%	100%
0788598 B.C. Ltd.	-	Canada	100%	100%
0788601 B.C. Ltd.	-	Canada	100%	100%
091152 B.C. Ltd.	-	Canada	100%	100%
Minera Polimetalicos Mexicanos S.A.	-	Panama	100%	100%
Minas de Oroco Resources SA de CV	Cerro Prieto	Mexico	100%	100%
Minera Cardel SA de CV ("Minera Cardel")	-	Mexico	100%	100%
Goldgroup Ecuador Holdings Inc.	El Mozo	Ecuador	80%*	-
DynaResource de Mexico SA de CV ("DynaMexico")	San José de Gracia	Mexico	50%	50%

All intercompany transactions and balances have been eliminated on consolidation. Subsequent to year end, the Company sold Gold Opmin and GGR, which were inactive at year end.

*The Company holds the option to earn into 80% of the El Mozo property (note 12).

Investment in associates:

Associates are entities over which the Company has significant influence and that are neither subsidiaries nor interests in joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company's representation on the board of directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates, except when classified as held-for-sale, are equity accounted for from the effective date of commencement of significant influence to the date that the Company obtains control or ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent annual and interim financial statements. Losses from associates are recognized in the consolidated financial statements until the interest in the associate is written down to nil. Thereafter, losses are recognized only to the extent that the Company is committed to providing financial support to such associates.

The carrying value of the investment in an associate represents the cost of the investment, including a share of the post-acquisition earnings and losses, accumulated other comprehensive income (''AOCI'') and any impairment losses. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired.

Business combinations

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the exploration and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business. Those factors include, but are not limited to, whether the set of activities and assets:

- has begun planned principal activities;
- has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- is pursuing a plan to produce outputs; and

Not all of the above factors need to be present for a particular integrated set of activities and assets in the development stage to qualify as a business.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash-generating units. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

If the assets acquired are not a business, the transaction is accounted for as an asset acquisition.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase.

Foreign currency translation

The consolidated financial statements are presented in US dollars which is also the functional currency of the Company and its subsidiaries. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign exchange gain and losses are included in profit or loss.

Revenue Recognition

Revenue from the sale of metals is recognized when all of the following conditions have been satisfied:

- The significant risks and rewards of ownership have been transferred;
- Neither continuing managerial management involvement to the degree usually associated with ownership nor effective control over the goods sold has been retained;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Inventories

Finished goods (doré inventory) and heap leach ore are valued at the lower of average production cost and net realizable value. Doré represents a bar containing predominantly gold by value which must be refined offsite to return saleable metals. Net realizable value is the amount estimated to be obtained from sale of the inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale. The production cost of inventories is determined on a weighted average basis and includes cost of raw materials, direct labour, mine-site overhead and depreciation and depletion of mine properties and plant and equipment.

The recovery of gold and by-products from oxide ores is achieved through the heap leaching process formerly at the Cerro Colorado mine and in the future of the Cerro Prieto mine. Under this method, ore is placed on leach pads where it is treated with a chemical solution which separates the gold contained in the ore. The time required for the majority of the gold to be recovered utilizing heap leaching is over a period of up to 120 days. The resulting "pregnant" solution is further processed in a plant where the gold is recovered. Operating costs at each stage of the process are capitalized and included in work-in-process inventory based on current mining and leaching costs, including applicable depreciation and depletion relating to the mine properties and plant and equipment. These costs are removed from heap leach inventory as ounces of gold are recovered at the average cost per ounce per recoverable ounce of gold on the leach pads. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tonnes added to leach pads), the grade of ore placed on the leach pads (based on assays analysis), and a recovery percentage (based on testing and ongoing monitoring of the rate of gold recoveries).

Consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost or net realizable value, which includes the cost of purchase as well as transportation and charges to bring them to their existing location and condition.

A write-down of inventory is recognized as an expense in profit or loss in the period the write-down occurs. Reversal of any write-down of inventory, arising from an increase in net realizable value, is recognized in profit or loss as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Plant and Equipment and Enterprise Resource Planning Software

Plant and equipment are recorded at cost and carried net of accumulated depreciation and accumulated impairment losses. Costs of additions and improvements are capitalized. An item of plant and equipment is derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds and the carrying amount of the asset is recognized in profit or loss.

Plant assets used in commercial production are subject to depreciation and depletion over their useful life. For buildings and machinery, the UOP method is applied where the mine operating plan calls for production from well-defined mineral deposits. Where total mineral deposits are not determinable because ore bearing structures are open at depth or are open laterally, the straight-line method is applied over the estimated life of the mine.

For transportation, computer and other equipment, the straight-line method is also applied over the estimated useful lives of the assets:

	Years
Vehicles	3-4
Office equipment	3-5
Computer equipment	2-3
Computer software	2
Leasehold improvements	lesser of 5 years straight line or term of lease
Enterprise resource planning software	3

Major overhaul expenditures on mobile equipment and other tangible property, including replacement spares and labour costs, are capitalized and amortized over the average expected life between major overhauls. All other replacement spares and other costs relating to maintenance of the mobile equipment are charged to operating costs if it is not probable that future economic benefits will flow to the Company.

Mineral Properties

(i) Pre-license costs:

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs:

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized on a property by property basis, including the costs of acquiring, maintaining its interest in, exploring and evaluating mineral properties until such time as the lease expires, the mineral properties abandoned, sold or considered impaired in value or is transferred to mines under construction as development cost. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

(iii) Mines under construction and development costs:

When technical feasibility and economic viability of projects have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized as mines under construction and classified as a component of mine properties, plant and equipment. Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized, net of any preproduction revenues. Commercial production is deemed to have occurred when management determines certain production parameters are met.

In order for production to occur, the Company must first obtain exploitation and other permits on such properties. Such permits are subject to the approval of the local government and government controlled entities. Unless and until such permits are obtained there can be no assurance that such permits will be obtained. As such, permits need to be obtained before costs are reclassified from exploration and evaluation properties to mines under construction.

(iv) Mine properties:

Once a mineral property has been brought into commercial production as intended by management, costs of any additional work on that property are expensed as incurred, except for large development programs, which will be deferred and depleted over the remaining useful life of the related assets. Mine properties include deferred stripping costs and decommissioning and restoration costs related to the reclamation of mine properties. Mine properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in profit or loss.

Costs of producing mine properties are depreciated and depleted on the unit-of-production basis using estimated proven and probable reserves. Depreciation or depletion is recorded against the mine property only upon the commencement of commercial production.

Exploration expenditures are expensed as incurred at mine properties, unless the nature of the expenditures are to convert mineral resources into mineral reserves or in the absence of a mineral resource estimate, are to define areas to be included in the mine plan. Any amounts deferred in this regard are depreciated based on the unit-of-production method.

Mine properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

Stripping Costs

Stripping costs incurred during the development of a mine are capitalized in mine properties. Stripping costs incurred subsequent to commencement of commercial production are variable production costs that are included in the costs of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity can be shown to give rise to future benefits from the mineral property, in which case the stripping costs would be capitalized. Future benefits arise when stripping activity increases the future output of the mine by providing access to a new ore body. Capitalized stripping costs are depleted based on the unit-of-production method, using mineral reserves as the depletion base.

Decommissioning and Restoration

The Company is subject to various governmental laws and regulations relating to the protection of the environment. The environmental regulations are continually changing and are generally becoming more restrictive.

Decommissioning and restoration obligations encompass legal, statutory, contractual or constructive obligations associated with the retirement of a long-lived tangible asset (for example, mine or site reclamation costs) that results from the acquisition, construction, development and/or normal operation of a long-lived asset. The retirement of a long-lived asset is reflected by an other-than-temporary removal from service, including sale of the asset, abandonment or disposal in some other manner.

The present value of a liability for decommissioning and restoration is recorded in the period in which the obligation first arises. The Company records the estimated present value of future cash flows associated with site closure and reclamation as a long-term liability and increases the carrying value of the related assets for that amount. Over time, the liability is increased to reflect an interest element in the estimated future cash flows (accretion expense) considered in the initial measurement of fair value. The capitalized cost is depleted or depreciated on either the unit-of-production basis or the straight-line basis, as appropriate. The Company's estimates of its provision for decommissioning and restoration obligations could change as a result of changes in regulations, changes to the current market-based discount rate, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for in the period in which these estimates are revised.

Impairment of Non-Financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the asset is included in the cash-generating unit to which it belongs and the recoverable amount of the cash generating unit is estimated. As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Intangible assets with an indefinite useful life and intangible asset not yet available for use are also tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the asset is impaired such as decreases in metal prices, an increase in operating costs, a decrease in mineable reserves or a change in foreign exchange rates. The Company also considers net book value of the asset, the ongoing costs required to maintain and operate the asset, and the use, value and condition of the asset.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the value-in-use, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Future cash flows used in the determination of value in use are estimated based on expected future production, recoverability of reserves, commodity prices, operating costs, reclamation costs and capital costs. Management estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes in estimates could occur which may affect the recoverable amounts of assets, including the Company’s investments in mine properties.

Fair value is determined with reference to discounted estimated future cash flow analysis or on recent transactions involving dispositions of similar properties.

An impairment loss for a cash-generating unit is first allocated to reduce the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is allocated on a pro rata basis to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or may have decreased. An impairment charge is reversed if the cash-generating unit’s recoverable amount exceeds its carrying amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, however only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that a reimbursement will be received and the amount receivable can measured reliably.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are based on differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received are not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged to profit or loss, with the offsetting credit to share option reserve. For directors and employees, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in share option reserve are transferred to share capital.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and/or warrants granted and/or vested during the period.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in share option reserve.

Contingent share consideration

When purchase consideration that is contingent on the future event is granted in an acquisition that does not constitute a business combination, the initial cost of the acquisition includes an estimate of the fair value of the contingent amounts expected to be payable in the future.

The fair value of the contingent amounts are based the number of contingent shares, the share price of the Company's on the date of acquisition and management's expectations of probability.

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). When diluted earnings per share is calculated, only those outstanding share options and warrants and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore basic and diluted loss per share is the same.

Segmented Reporting

In identifying its operating segments, management generally follows the Company's activities. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The activities are undertaken by the mine operating segment and the exploration and development segment and are supported by the corporate segment. Each segment is managed separately. The operating results of the segments are reviewed regularly by the Company's Chief Executive Officer (who is considered the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Financial Instruments - Recognition and Measurements

(i) Non-derivative financial assets

Financial assets, other than derivatives, are classified as available-for-sale, held-to-maturity investments, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as available-for-sale are measured at fair value on initial recognition plus transaction costs and subsequently at fair value with unrealized gains and losses recognized in other comprehensive income (loss), except for

financial assets that are considered to be impaired in which case the loss is recognized in profit or loss. The Company has classified its investments as available for sale.

Financial assets classified as held-to-maturity investments and loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortized cost using the effective interest method. The Company's cash and cash equivalents and certain receivables are classified as loans and receivables.

Financial assets classified as FVTPL are measured on initial recognition and subsequently at fair value with unrealized gains and losses recognized in profit or loss. Transaction costs are expensed for assets classified as FVTPL. The Company has classified certain warrants as FVTPL.

(ii) Non-derivative financial liabilities

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, loan payable and promissory note are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in profit or loss. The Company has not designated any financial liabilities as FVTPL.

(iii) Derivative financial instruments

The Company issues warrants exercisable in a currency other than the Company's functional currency and as a result, the warrants are derivative financial instruments.

Derivative financial instruments are initially recognized at fair value and subsequently measured at fair value with changes in fair value recognized in profit or loss. Transaction costs are recognized in profit or loss as incurred.

Share Issuance Costs

Share issue costs, which includes commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital.

Valuation of Equity Units Issued in a Private Placement

Shares and warrants issued as private placement units are measured using the relative value method whereby value is first allocated to the warrant liability component based on its fair value with the residual value being attributed to the equity unit. The fair value of the warrant is determined using the Black-Scholes Option Pricing Model.

All of the Company's warrants are exercisable in a currency other than the functional currency of the Company. As a result, the fair value allocated to the warrant is recorded as a derivative financial liability and is marked to market at the end of each period. Upon exercise of the warrant, the fair value of the warrant at the date of exercise is transferred to share capital.

Comprehensive Income (loss)

Total comprehensive income (loss) comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income (loss) includes changes in revaluation surplus, actuarial gains and losses on defined benefit plans, gains and losses from translating the financial statements of a foreign operation, gains and losses on remeasuring available-for-sale financial assets.

Future changes in accounting policies not yet adopted

IFRS 9 – Financial Instruments ("IFRS 9")

In July 2014, the IASB issued the final version of IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories

for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

In May 2014, IASB issued IFRS 15 to replace IAS 18 – Revenue, which establishes a new single five-step control-based revenue recognition model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IAS 16 – Property, Plant and Equipment ("IAS 16") and IAS 38 – Intangibles ("IAS 38")

IAS 16 and IAS 38 were issued in May 2014 and prohibit the use of revenue-based depreciation methods for property, plant and equipment and limit the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016 and are to be applied prospectively.

The Company has not yet completed the process of assessing the impact that IFRS 9, IFRS 15, IAS 16 and IAS 38 will have on its consolidated financial statements, or whether to early adopt these new requirements.

5 Other receivables and prepaid expenses

	December 31, 2015	December 31, 2014
Current asset		
Financial assets		
Other receivables	$ 40	$ 57
Employee receivables	28	-
Non-Financial assets		
Value-added tax receivables	390	-
Corporate tax receivables	154	412
Total receivables	612	469
Prepaid expenses	63	156
	$ 675	$ 625
Non-current assets		
Non-Financial assets		
Value-added tax receivables	$ 1,559	$ 1,248
Corporate tax receivables	616	1,391
	$ 2,175	$ 2,639

6 Financial instruments

Fair values of financial instruments

The accounting classification and of each category of financial instruments, and the level within the fair value hierarchy in which they have been classified are set out below:

	Fair Value Hierarchy Level	December 31, 2015	December 31, 2014
Financial assets			
Loans and receivables			
Cash and cash equivalents [1]	N/A	222	12,859
Restricted cash [1] [2]	N/A	420	-
Receivables [1]	N/A	40	57
Loans receivable [4]	N/A	1,084	-
Available-for-sale			
Investments	Level 1	1,751	15,841
Financial liabilities			
Other financial liabilities			
Accounts payable & accrued liabilities [1]	N/A	4,603	4,620
Promissory note [4]	N/A	985	1,503
Loan payable [4]	N/A	3,366	4,444
Derivative			
Warrant liability [3]	Level 3	318	704

(1) The carrying value of cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these items.

(2) Restricted cash is held in a separate guaranteed investment certificate as collateral for a letter of credit entered into to purchase equipment during the period.

(3) The Company applies a standard Black-Scholes model to value the warrant liability as described in note 19.

(4) Loans receivable, loan payable and promissory note are presented on an amortized cost basis and will be accreted to its face amount over the term to maturity of the loan at an effective interest rate.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash and loans receivable. The majority of the Company's cash and cash equivalents and restricted cash are held through large Canadian financial institutions. Loans receivable are primarily secured by the borrower's property.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in note 27.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. Some of these investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their properties. The Company closely monitors market values to determine the most appropriate course of action.

Price Risk

Price risk is the risk that the trading price of the Company's shares will fluctuate and result in an increase or decrease in value of the warrant liability.

Commodity Price Risk

The Company is exposed to commodity price risk given that its revenues are derived from the sale of metals, the price of which have been historically volatile.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities and loans payable. A 1% change in market interest rates would result in no significant change in value of cash and cash equivalents or fixed income securities. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity.

Foreign Exchange Risk

The Company operates in Canada, and Mexico and is exposed to foreign exchange risk arising from transactions denominated in foreign currencies.

The operating results and the financial position of the Company are reported in United States dollars. Fluctuations of the operating currencies in relation to the United States dollar will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company's financial assets and liabilities as at December 31, 2015 are denominated in United States Dollars, Canadian Dollars, and Mexican Pesos, and are set out in the following table:

	Canadian Dollars	US Dollars	Mexico Pesos	Total
Financial assets				
Cash and cash equivalent	$ 88	$ 112	$ 22	$ 222
Restricted cash	-	420	-	420
Receivables - other	4	30	6	40
Loans receivable	1,084	-	-	1,084
Investments	1,751	-	-	1,751
	2,927	562	28	3,517
Financial liabilities				
Accounts payables and accrued liabilities	(542)	(1,796)	(2,265)	(4,603)
Loan payable	-	(3,366)	-	(3,366)
Promissory note	-	(985)	-	(985)
Net financial (liabilities) assets	$ 2,385	$ (5,585)	$ (2,237)	$ (5,437)

The Company's financial assets and liabilities as at December 31, 2014 are denominated in United States Dollars, Canadian Dollars, and Mexican Pesos, and are set out in the following table:

	Canadian Dollars	US Dollars	Mexico Pesos	Total
Financial assets				
Cash and cash equivalent	$ 78	$ 12,770	$ 11	$ 12,859
Receivables - other	40	-	3,224	3,264
Investments	15,841	-	-	15,841
	15,959	12,770	3,235	31,964
Financial liabilities				
Accounts payables and accrued liabilities	(919)	-	(3,701)	(4,620)
Loan payable	-	(4,444)	-	(4,444)
Promissory note	-	(1,503)	-	(1,503)
Net financial (liabilities) assets	$ 15,040	$ 6,823	$ (466)	$ 21,397

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and US dollar to Mexican Pesos exchange rate. As of December 31, 2015, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial assets by approximately $239 (December 31, 2014 - $1,510). A 10% depreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. A 10% appreciation of the Mexican Pesos relative to the US dollar would have decreased net financial asset by approximately $223 (December 31, 2014 - $62) and a 10% depreciation of the Mexican Pesos would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities.

December 31, 2015	Current – within 1 year	Non- current – 1 to 3 years
Accounts payables and accrued liabilities	$ 4,603	$ -
Loan payable	3,366	-
Tax payable	258	-
Promissory note	985	-
	9,212	-

December 31, 2014	Current – within 1 year	Non- current – 1 to 3 years
Accounts payables and accrued liabilities	$ 4,620	$ -
Loan payable	-	4,444
Tax payable	1,866	-
Promissory note	1,503	-
	7,989	4,444

7 Inventories

	December 31, 2015	December 31, 2014
Consumable supplies	$ 725	$ 925
	725	925

Cost of sales represents the amount of product inventory recognized as an expense. All of the Company's inventories on hand are located at the Cerro Colorado and Cerro Prieto mines in Mexico. During the years ended December 31, 2015 and 2014 the Company did not record an impairment within inventory.

8 Investments

	January 1, 2015 Fair value	Disposed	OCI (before tax)	December 31, 2015 Fair value
Oroco common shares	$ 182	$ -	$ (110)	$ 72
Oroco share purchase warrants	6	-	(6)	-
Timmins Gold common shares	15,653	(1,135)	(12,839)	1,679
	$ 15,841	$ (1,135)	$ (12,955)	$ 1,751

	January 1, 2014 Fair value	Acquired	OCI (before tax)	December 31, 2014 Fair value
Oroco common shares	$ 164	$ -	$ 18	$ 182
Oroco share purchase warrants	6	-	-	6
Timmins Gold common shares	-	13,426	2,227	15,653
	$ 170	$ 13,426	$ 2,245	$ 15,841

On December 23, 2014, the Company sold its 100% interest in the Caballo Blanco Project (the "Project") to Timmins Gold Corp ("Timmins Gold"). On Closing, Timmins Gold paid the Company $10,000 ($9,698 net of transaction cost) in cash, 16,065,000 Timmins Gold shares, valued at $13,540 (15,929,200 valued at $13,426 net of transactions cost).

The Company is entitled to receive an additional contingent amount of $5.0 million that will become payable in cash, Timmins Gold shares, or a combination thereof (at the option of Timmins Gold, provided that the Company's ownership in Timmins Gold will not exceed 9.9% at any time) should any of the following events occur prior to October 31, 2019:

- The approval of the Project's Environmental Impact Statement from SEMARNAT
- A change in beneficial ownership of Timmins Gold of greater than 50%; or
- The removal or change, at one time, of a majority of the current members of the Timmins Gold Board of Directors

Although the Company may become entitled to the contingent payments, the value of these payments has not been recognized in the statement of financial position as at December 31, 2015 and December 31, 2014 due to the level of uncertainty surrounding the conditions required for the payments.

The Company came to an agreement with RMB Resources Inc. and Credipresto SAPI de CV SOFM ENR to release and replace the existing security held over the Project in order for this transaction to close. As part of this agreement the Company was required to maintain cash on hand of more or equal to the amount of the Facility outstanding, until the escrowed shares were released to the Company. The terms and conditions of the existing credit agreement are otherwise unchanged (see note 16).

On April 27, 2015, 15,929,200 shares were released from escrow by Timmins. Of these shares, 9,503,200 were held in escrow by RMB who released the cash collateral requirement and 6,426,000 were held by the Company. Credipresto now holds the escrow shares after the loan facility assignment (note 16).

During year ended December 31, 2015 the Company sold 3,586,500 Timmins Gold shares for total proceeds of $1,055. The amount of OCI recognized as a loss was $496. The Company also transferred 160,650 Timmins Gold shares to a director in settlement of fees pursuant to transaction terms.

As at December 31, 2015 the Company impaired the 5,000,000 common shares owned of Oroco Resource Corp. (”Oroco”) and Timmins Gold commons shares and warrants as a result of the decline in fair values and $10,214 (2014: $nil) of OCI was recognized as an impairment loss.

9 Loans receivable

		December 31, 2015	December 31, 2014
Loans Receivable			
Monarch Gold Corp.		$ 2,033	$ -
Impairment		(749)	-
Foreign exchange		(200)	-
		$ 1,084	$ -

On June 16, 2015, the Company signed a letter of intent (“LOI”) with Monarch Gold Corp. (“Monarch”), a privately held mining company with mining concessions in Canada. Pursuant to the terms of the LOI, the Company shall invest CAD$100 in Monarch in order to acquire 50% of Monarch’s issued and outstanding common shares. The LOI also contemplates that the Company will advance another CAD$1,400 to Monarch on substantially the same terms as the Secured Loan, subject to the completion of the Company’s ongoing due diligence and other conditions precedent.

Concurrently with the execution of the LOI and pursuant to the terms of the Credit Agreement, the Company advanced a non-interest bearing secured loan (the “Secured Loan”) of $2,033 (CAD$2,500) to Monarch to fund an equipment purchase and the acquisition of mining concessions. The Secured Loan will be repaid with 80% of the excess cash of Monarch, which is defined as all cash and cash equivalents less operating costs, with any remaining principal balance due in full on July 17, 2017.The fair value of the loan using a discount rate of 17% over the term of the loan was $1,621 resulting in a discount of $412.

On January 13, 2016, the Company signed a non-binding letter of intent where a private Canadian company (“Canco”) would purchase the Company’s secured assets of Monarch for consideration of CAD$1,500 million in cash; in addition, to a royalty and common shares of Canco. As at March 30, 2016, the Company has received CAD$75 (non-refundable deposit) from Canco during the finalization of the definitive agreement.

10 Property and equipment

	Cost December 31, 2013	**Additions**	**Disposals**	**December 31, 2014**	**Additions**	**Impairment**	**Disposals**	**December 31, 2015**
Plant and mining equipment	$ 9,129	$ -	$ (137)	$ 8,992	$ 1,337	$ -	$ -	$ 10,329
Machinery	1,471	-	-	1,471	-	-	(297)	1,174
Office and furniture	259	-	(8)	251	-	-	-	251
Vehicles	905	-	-	905	-	-	(112)	793
Lab equipment	72	-	-	72	-	-	-	72
	$ 11,836	$ -	$ (145)	$ 11,691	$ 1,337	$	$ (409)	$ 12,619

	Acc. Dep. December 31, 2013	**Depreciation**	**Disposals**	**December 31, 2014**	**Depreciation**	**Impairment**	**Disposals**	**December 31, 2015**
Plant and mining equipment	$ 7,648	$ 727	$ (137)	$ 8,238	$ 713	$ 627	$ -	$ 9,578
Machinery	1,268	57	-	1,325	36	66	(297)	1,130
Office and furniture	223	11	(6)	228	4	-	-	232
Vehicles	806	60	-	866	25	-	(108)	783
Lab equipment	61	4	-	65	1	-	-	66
	$ 10,006	$ 859	$ (143)	$ 10,722	$ 779	$ 693	$ (405)	$ 11,789

During year ended December 31, 2015, the Company purchased a crusher for $916 payable in 4 equal increments through March 1, 2016. Subsequent to December 31, 2015 the amounts have been fully paid. A letter of credit was set up with BMO with a cash collateral of the same balance. As at December 31, 2015, $420 remained as collateral which is presented as restricted cash.

Depreciation on property and equipment for the year ended December 31, 2015 is $779 (2014 - $859) of which $nil (2014 - $439) is recorded as a cost of operation, $4 (2014 - 6) is recorded as depreciation expense, $775 (2014 - $341) is capitalized to the Cerro Prieto property (note 14), and $nil (2014 - $73) is capitalized to exploration and evaluation properties.

During the year ended December 31, 2015, the Company recorded an impairment charge of $693 (2014 - $nil). See note 14 for further discussion.

Carrying amount	**December 31, 2015**	**December 31, 2014**
Plant and mining equipment	$ 751	$ 754
Machinery	44	146
Office and furniture	19	23
Vehicles	10	39
Lab equipment	6	7
	$ 830	$ 969

11 Enterprise resource planning software

The intangible asset relates to an Enterprise Resource Planning ("ERP") software implementation that occurred in 2012. The total cost of the software was $665 and the accumulated amortization as December 31, 2015 was $665 (December 31, 2014 - $480).

The net book value as of December 31, 2015 was $nil (December 31, 2014 - $185) and depreciation for the year ended December 31, 2015 was $185 (2014 - $213).

12 Exploration and evaluation assets

On July 17, 2015 the Company signed the Definitive Agreement to acquire all of the issued and outstanding shares of 0990718 B.C. Ltd. (the "Vendors"), a company holding an 80% option interest in the El Mozo project in Ecuador, in exchange for the issuance of an aggregate of 5,500,000 common shares of the Company to the shareholders of 0990718 pursuant to a share exchange agreement with the Vendors (the "Share Exchange Agreement"). In addition to the common shares, the Company granted to the Vendors an aggregate 1% net smelter returns royalty ("NSR") on Goldgroup's ownership portion in the El Mozo Project pursuant to an NSR agreement (the "Royalty Agreement"). Under the Royalty Agreement Goldgroup has the right to repurchase the Vendors' NSR for consideration of:

- $1,000 paid on or before the date (the "Repurchase Date") which is the later of January 17, 2017 and the date permits for commercial production on the El Mozo Project are granted; or
- $1,500 paid on or before the date which is 30 months following the Repurchase Date; or
- $2,500 paid on or before the date which is 42 months following the Repurchase Date.

The consideration for the NSR royalty repurchase can be paid in cash or in common shares, at the Company's option.

Option agreement terms

Under the Option Agreement, 0990718 BC Ltd. may earn an 80% interest in the El Mozo Project by fulfilling the following requirements:

Earn in % of El Mozo Project	Obligation
15%	• Paying the Optionor $50 on or before June 13, 2016
35%	• Fulfilled obligation to earn in 15% • Paying the Optionor $60 on or before June 13, 2017
55%	• Fulfilled obligation to earn in 35% • Paying the Optionor $100 on or before June 13, 2018 • Incurred at least $1,000 in exploration expenditures on or before June 6, 2018
80%	• Fulfilled obligation to earn in 55% • Paying the Optionor $150 on or before June 13, 2019 • Incurred at least $1,000 (total $2,000 accumulated) in exploration expenditures on or before June 12, 2019 • Issuing $500 of common shares of Goldgroup to Optionor on or before June 13, 2019.

These earn-in obligations must be fulfilled on or before June 13, 2019. Upon successful earn-in on the El Mozo Project by 0990718, the Optionor has the right to convert its 20% interest in the El Mozo Project into a 2% NSR. If the Optionor converts its interest into a 2% NSR, 0990718 will have the right to purchase 50% of this NSR royalty by paying:

- $1,000 (if estimated mineral resources are less than 500,000 gold equivalent ounces), or
- $1,500 (if estimated mineral resources are equal to or greater than 500,000 but less than 1,000,000 gold equivalent ounces), or
- $2,000 (if estimated mineral resources are equal to or greater than 1,000,000 gold equivalent ounces).

The Company has accounted for the acquisition as an asset purchase and the purchase price allocation is summarized as follows:

5,500,000 common share of Goldgroup Mining Inc. at $0.09 CAD a share		382
Loan receivable forgiven		68
Transaction costs		35
Total consideration	$	485

Allocated to:

Cash		4
Receivables		2
Exploration and evaluation asset		607
Accounts payable		(68)
Loans payable (paid as at September 30, 2015)		(60)
Total consideration	$	485

The Company has incurred $91 in consulting fees on the property subsequent to the acquisition.

Caballo Blanco

		December 31, 2015		December 31, 2014
Caballo Blanco, beginning of fiscal year	$	-	$	64,468
Depreciation capitalized		-		73
Exploration expenditure		-		885
Fees and taxes		-		200
Reimbursement for 0.1% NSR		-		-
Impairment		-		(42,656)
	$	-	$	22,970
Sale of Caballo Blanco				
Cash consideration	$	-	$	(10,000)
Transaction costs (cash and investments)		-		570
9,639,000 Timmins Gold common shares		-		(8,124)
6,426,000 Timmins Gold common shares		-		(5,416)
Caballo Blanco, ending of fiscal year	$	-	$	-

During the year ended December 31, 2014, the Company sold 100% of the Caballo Blanco project located in Mexico (note 8).

13 Investments in DynaMexico

The Company has a 50% equity interest in DynaMexico which owns 100% of an exploration project known as the San José de Gracia ("SJG") located in the state of Sinaloa, Mexico.

The other 50% equity holder of DynaMexico is DynaUSA. DynaUSA provides management and accounting services based on 2.5% of the cash expenditures incurred by DynaMexico.

As a result of the Company qualifying to earn its 50% equity interest on March 14, 2011, the board of directors of DynaMexico was to be expanded to five members with DynaUSA and the Company each appointing two members and mutually agreeing on one additional member. Currently there are only four members as the one additional member has yet to be added.

On January 22, 2013 Goldgroup announced that it had moved to dismiss as totally without merit a lawsuit filed against it and others in Dallas County District Court by DynaResource, Inc. and DynaResource de Mexico, S.A. de C.V. (collectively "DynaResource").

DynaResource alleged, among other things, that the Company has wrongfully used and disseminated confidential information and data belonging to DynaResource, and materially misrepresented Goldgroup's ownership interest in SJG. Goldgroup owns a 50% interest in DynaMexico, which owns 100% of SJG. Goldgroup has properly disclosed its interest in SJG, has not materially misrepresented it, and has not improperly used any DynaResource confidential information. Goldgroup denies all such allegations by DynaResource, has moved to dismiss the lawsuit, and intends to vigorously defend itself and its interests.

On October 28, 2013 the Company announced that it filed a legal action before the appropriate criminal authorities in Mexico concerning recent activities undertaken by Koy Wilber Diepholz ("Diepholz"), shareholder, President and Chairman of the Board of Directors of DynaMexico and Chairman, Chief Executive Officer and Treasurer of DynaUSA. The purpose of the legal action case is to investigate whether illegal acts were committed by Diepholz, in his role as CEO of DynaMexico, for his own benefit and for the benefit of DynaUSA.

On March 11, 2014 DynaResource dropped its lawsuit against the Company.

On March 14, 2014 the Company filed for arbitration in Denver, Colorado, against DynaResource Inc. to protect its interests pursuant to the SJG earn-in option agreement dated September 1, 2006.

As at December 31, 2014, the Company recognized an impairment of $18,178 and wrote the investment down to $nil, which was management's estimate of the fair value of the Company's interest in the private entity taking into account the lack of control of the investment, as management had not received a response to requests for the records, and the uncertainty of the ongoing legal disputes.

On June 29, 2015 a Mazatlán Judge denied DynaMex the request for an "amparo", which is, by Mexican Law, an appeal to the injunction obtained by Goldgroup against DynaMex regarding the 300 new shares of DynaMex issued in favor of DynaUSA. The issuance of the DynaMex shares to DynaUSA diluted Goldgroup's ownership interest (from 50% to 20%) in DynaMex with DynaUSA purporting to be an owner of 80% of DynaMex.

On October 13, 2015 the Company was made aware of a news release disseminated by DynaResource de Mexico SA de C.V. ("Dyna"). Goldgroup was never notified of the purported court case discussed, does not recognize any of the claims mentioned therein and is of the belief that such claims are without merit. The Company is reviewing its options and intends to exercise all of its legal rights in order to have the purported judgement discussed in the news release disregarded, set aside or otherwise overturned, and further will seek damages for misrepresentation against Dyna and all relevant parties.

During the year ended December 31, 2015, management concluded that due to the ongoing legal disputes the Company no longer has significant influence over DynaMexico and therefore discontinued treating the investment as an investment in associate. There was no impact on the statement of financial position or statement of loss and comprehensive loss as the investment was impaired to $nil in the prior year.

14 Development property

Carrying amount	Cerro Prieto
Balance, December 31, 2013	$ 12,055
Depreciation capitalized	341
Mine operations	7,170
Plant and lab	188
Engineering	148
Geology	300
Crusher	1,632
Other	232
Royalties	153
Restoration	153
Gold Sales (pre-production)	(6,771)
Balance, December 31, 2014	$ 15,601
Depreciation capitalized	775
Mine operations	6,608
Plant and lab	2,439
Engineering	1,275
Geology	17
Crusher	1,004
Royalties	80
Restoration	23
Other	136
Increase in decommissioning obligation	748
Impairment	(7,858)
Gold Sales (pre-production)	(10,685)
Balance, December 31, 2015	$ 10,163

The project has an existing 2% NSR.

With respect to acquisition of the Cerro Prieto project in 2013, the Company committed to issue 16.5 million of its common shares or, at its option, pay $4,125 to Oroco on or before August 30, 2015. The Company decided to issue the 16,500,000 shares valued at $2,267 and reclassified the contingent share consideration to share capital upon issuance of the shares.

Impairment

The recoverable amounts of the Company's cash generating units ("CGUs"), which include mineral properties, plant and equipment are determined where facts and circumstances provide impairment indicators. The recoverable amounts are based on each CGUs future after-tax cash flows expected to be derived from the Company's mineral properties and represent each CGUs fair value less costs to sell ("FVLCTS"). The after-tax cash flows are determined based on life-of mine ("LOM") after-tax cash flow projections which incorporate management's best estimates of future metal prices, production based on current estimates of recoverable reserves and resources, exploration potential, future operating costs and non-expansionary capital expenditures. Projected cash flow are discounted using a weighted average cost of capital. Management's estimate of the FVLCTS of its CGUs is classified as level 3 in the fair value hierarchy.

At December 31, 2015, the Company determined there were several indicators of potential impairment on its non current assets, including the decline in the Company's market capitalization, reduction in the market consensus on long term gold price forecasts during the year and the consequential impact on the Company's reserves and resources. Based on the Company's assessment of the recoverable amounts of its CGUs, the Company concluded that the Cerro Prieto Mine had an estimated recoverable value, based on its FVLCTS, below its carrying value and an impairment charge was required. Based on its assessment, the Company recorded during the year ended December 31, 2015 a non-cash impairment charge of $8,551, using a discount rate of 7% along with a long-term gold price assumption of $1,200 over the life of mine. The impairment charge was allocated on a pro rata basis against the net book value of the mineral properties, plant and equipment.

15 Accounts payable and accrued liabilities

	December 31, 2015	December 31, 2014
Financial liabilities		
Trade payables and accrued liabilities	$ 4,432	$ 4,480
Oroco IVA payable (see note 17)	171	140
	$ 4,603	$ 4,620

Trade payables are non-interest bearing and are normally settled on 45 day terms.

16 Loan payable

On September 22, 2014, the Company closed an agreement with two lenders (the "Lenders"), RMB Australia Holdings Limited. ("RMB") and Credipresto SAPI de CV SOFOM ENR ("Credipresto"), for a $10,000 secured medium term loan facility (the "Facility"). The Facility is being funded 80% by RMB and 20% by Credipresto. Javier Reyes, a director of Goldgroup, is a principle of Credipresto. On November 30, 2015 RMB assigned their 80% portion of the Company's outstanding $10,000 Facility Credipresto, giving Credipresto 100% ownership of the outstanding Facility. Prior to the closing of the assignment the Company obtained a $400 bridge loan from Credipresto of which $250 was repaid. The remaining $150 was rolled into the Facility subsequent to assignment from RMB.

The total amount drawn down as at December 31, 2015 is $7,663 (December 31, 2014 - $7,000) which includes unpaid interest and commitment fee payments of $143 which have been added to the principal during the year and an additional draw of $370. The amount of outstanding principal as at December 31, 2015 $4,057 (December 31, 2014 $6,470). In connection with the Facility, the Company has incurred transaction costs of $2,223, which included a $600 structuring fee paid at the time of the first drawdown, the fair market value of the issued financier warrants of $1,082 and legal fees. The transaction costs are amortized and charged to the profit or loss over the term of the facility.

Subsequent to December 31, 2015, on March 2, 2016 the Company closed an agreement to amend the terms of the outstanding loan Facility.

Facility amended terms

- The Facility previously was set to mature on September 18, 2017 and was repayable in the amount of 25% of the outstanding amounts drawn (plus accrued interest) every three months commencing December 18, 2016. The Company has extended the repayment period by one year with the Facility now maturing on September 18, 2018 and is repayable

in the amount of 25% of the outstanding amounts drawn (plus accrued interest) every three months commencing December 18, 2017;

- the Facility is available for drawdown through December 18, 2017; and
- the remaining terms of the Facility are unchanged with outstanding principal amount of the Facility accruing interest, in arrears, at an annualized rate of 15% on the portion of the Facility that is drawn down. The portion of the Facility which is not drawn down accrues interest, in arrears, at an annualized rate at 2% until December 18, 2017.

As part of the terms of the amendment, Credipresto has also agreed to forfeit 9,000,000 warrants to the Company for cancellation. These warrants were originally issued as a condition for entering into the Facility.

As consideration for the amendment, the Company has agreed to:

- issue 8,642,080 common shares to Credipresto, subject to the statutory hold period; and
- amend the terms of 3,000,000 other outstanding warrants held by Credipresto by (a) decreasing the exercise price from CAD $0.19 to CAD $0.10 and (b) delaying the expiration date by a year from March 18, 2018 to March 18, 2019. These warrants are no longer cancelable due to the Company having now drawn more than $7,500 on the Facility,

	December 31, 2015	December 31, 2014
Balance, January 1, 2015	$ 4,444	$ -
Loan drawdown	663	7,000
Transaction cost	-	(2,223)
Finance cost – accretion expense of Facility (see note 23)	337	172
Finance cost – pro-rata write-off of transaction costs due to repayment (see note 23)	999	-
Finance cost – commitment fees of Facility (see note 23)	68	25
Repayments – principal	(3,077)	(530)
Repayments – interest expense and commitment fees	(626)	(268)
Interest expense (see note 23)	558	268
	$ 3,366	$ 4,444

17 Promissory note

Pursuant to the Oroco Agreement (note 14), a promissory note in the principal amount of $1,500 (the "First Loan"), bearing simple interest at a rate of 8% per annum and payable in six equal monthly instalments of $250 each, commencing on the later of January 31, 2015 and the first day of the month following the date the Cerro Prieto Project achieves production criteria. Interest will accrue on the principal amount of the First Loan from the date of closing of the Transaction and will be payable quarterly in arrears, on a declining balance, however, the Company's obligation to deliver such quarterly interest payments will be suspended until the Project achieves commercial production.

On June 2, 2015 the Company amended the payment terms for the $1,000 balance of principal remaining owing from the First Loan. The Company has issued to Oroco two promissory notes in replacement of the First Loan. The first note, in the principal amount of $250, is payable on demand. The second, in the principal amount of $750, is payable on or before September 15, 2015. Both new promissory notes bear 8% annual interest, payable monthly in arrears.

On September 30, 2015, the Company further amended the payment terms for the two promissory notes. Pursuant to the agreement, the Company will have until November 16, 2015 to enter into a formal debt payment agreement (the "Payment Agreement") with Oroco, pursuant to which it will:

- Pay Oroco $300 on signing;
- Pay Oroco $20 per month, commencing October 1, 2015 (payments due before signing of the formal agreement to accrue and be paid at signing), until September 15, 2016, with the balance of the remaining principal on or before that date;
- The outstanding principal will bear 12% interest, payable monthly in arrears; and

- If the Payment Agreement is not signed by November 16, 2015, or if the Company fails to perform all of its obligations under the Payment Agreement, it will pay Oroco a CDN $100 break fee;

Subsequent to December 31, 2015, on February 12, 2016, the Company issued 4,691,000 common shares valued at $200. Of the $200 debt satisfied, $145 is allocated to the balance outstanding on the above two promissory notes. $55 is related to the Mexican Value Added Tax (the "VAT Payable") owed to Oroco pursuant to an Assignment of Debt Agreement between the Company and Oroco, whereby Oroco assigned to Goldgroup its rights to refunds stemming from certain IVA paid by Minas de Oroc S.A. de C.V. (the Company's Mexican subsidiary acquired from Oroco Agreement). Under the IVA agreement, Oroco is entitled to 60% of the first CDN $400 IVA refund ("First Split"). The Company settled the First Split by issuing Oroco 1,200,000 common shares, valued at $210 in 2014. In addition, the Company will pay Oroco 50% of IVA refund in excess of CDN $400 ("Second Split"). The Company may elect to settle Second Split through issuance of the Company's common shares. As at December 31, 2015 the amount owing Oroco related to the Second Split is $171 (December 31, 2014 - $140) and is included in accounts payable and accrued liabilities (note 15).

The Company continues to negotiate the terms of the Promissory Notes with Oroco.

	December 31, 2015	December 31, 2014
Balance, beginning of period	$ 1,503	$ 1,399
Repayment	(550)	-
Interest expense (see note 23)	96	120
Interest paid	(100)	(120)
Accretion expense (see note 23)	36	104
	$ 985	$ 1,503

18 Decommissioning obligation

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its mines are based on reclamation standards that meet Mexican regulatory requirements. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, discount rates and timing of expected expenditures.

The undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs is estimated at $1,990 (2014 - $1,200). The key assumptions on which this estimate was based on are:

(i) Cerro Colorado mine expenditures of $950 are expected to occur in 2016. Cerro Prieto's expenditure's present value is $924 (2014 - $153), reflecting anticipated cash flows to be incurred over approximately the next 4 years. The Company capitalized accretion of $23 to development properties and increased the present value of the obligation by $748 during the year ended December 31, 2015.

(ii) The decommissioning obligation on Cerro Colorado mine was fully accreted by December 31, 2013. The discount rate used was 8.6% and the country rate risk is 2.4%. The Cerro Prieto mine's present value has been calculated using an effective discount rate of 5.62%. The undiscounted value of these obligations is $1,040 (2013 - $250).

The discounted liability for the decommissioning and restoration provision is as follows:

	December 31, 2015	December 31, 2014
Balance, beginning of period	$ 1,103	$ 950
Addition – Cerro Prieto	748	143
Accretion expense	23	10
	$ 1,874	$ 1,103

19 Warrant liability

	Number of warrants	Weighted average exercise price (C$)	Warrant liability (US$)
Balance, December 31, 2013	2,000,000	1.25	$ 3
Value at grant	15,729,011	0.22	1,350
Warrant issuance cost	-	-	(18)
Change in fair value	-	-	(631)
Balance, December 31, 2014	17,729,011	0.34	$ 704
Warrants expired	(2,000,000)	1.25	-
Change in fair value	-	-	(386)
Balance, December 31, 2015	15,729,011	0.22	$ 318

Expiry date	Note	Number of warrants	Weighted average exercise price (C$)
August 12, 2016	(ii)	2,767,955	0.25
August 22, 2016	(ii)	961,056	0.25
March 18, 2018	(i)	6,000,000	0.19
March 18, 2018	(i)	6,000,000	0.23
Balance, December 31, 2015		15,729,011	$ 0.22

i) In connection with the loan payable indicated in note 16, on September 19, 2014, the Company issued 12,000,000 warrants exercisable at prices ranging from $0.19 to $0.23 per share, expiring March 18, 2018. These warrants were assigned a fair value of $1,082 using the Black-Scholes Pricing Model. Subsequent to December 31, 2015 9,000,000 warrants were cancelled upon Credipresto Facility amendment. See note 16.

ii) In connection with the two tranches of the private placement in August 2014, the Company issued 3,729,011 warrants exercisable at a price of CDN$0.25 per share, expiring up to August 22, 2016. These warrants were assigned a fair value of $268 using the Black-Scholes Pricing Model.

The fair value allocated to the warrants at December 31, 2015 was $318 (December 31, 2014 - $704) and is recorded as a derivative financial liability as these warrants are exercisable in Canadian dollars, differing from the Company's functional currency. The gain recognized in the statement of loss and comprehensive loss for the year ended December 31, 2015 is $386 (2014 – loss of $631).

The fair value of the warrants is calculated using the Black-Scholes Option Pricing Model. Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a Company's shares. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants.

	December 31, 2015	December 31, 2014
Expected warrant life	1.8 years	2.6 years
Expected stock price volatility	97%	91%
Dividend payment during life of warrant	Nil	Nil
Expected forfeiture rate	Nil	Nil
Risk free interest rate	0.62%	1.22%
Weighted average strike price	$ 0.22	$ 0.34
Weighted average fair value per warrant	$ 0.03	$ 0.05
Weighted average share price	$ 0.10	$ 0.14

20 Share Capital

(i) Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(ii) Share based compensation

The Company has adopted a share option plan for which options to acquire up to 10% of the issued share capital, at the award date, may be granted to eligible optionees from time to time. Generally, share options granted have a maximum term of five years, and a vesting period and exercise price determined by the directors. The exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed. As at December 31, 2015, the remaining share options available for issue under the plan were 3,574,460 (December 31, 2014 – 8,374,460).

Total share options granted during the year ended December 31, 2015 were 9,175,000 (2014 – nil). Total share-based compensation expense recognized for the fair value of share options granted and vested during the year ended December 31, 2015 was $243 (2014 - $31).The fair value of the share options granted during the year ended December 31, 2015 and 2014 was estimated on the date of grant using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	December 31, 2015	December 31, 2014
Expected option life	2.5 years	-
Expected stock price volatility	81%	-
Dividend payment during life of option	Nil	-
Expected forfeiture rate	Nil	-
Risk free interest rate	0.68%	-
Weighted average strike price	$ 0.10	-
Weighted average fair value per option	$ 0.05	-
Weighted average share price	$ 0.10	-

	December 31, 2015		December 31, 2014	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding - beginning of year	6,135,000	$ 0.68	8,748,858	$ 0.70
Granted	9,175,000	0.10	-	-
Forfeited	-	-	-	-
Expired	(2,175,000)	0.79	(2,613,858)	0.77
Outstanding - end of year	13,135,000	$ 0.26	6,135,000	$ 0.68

The following table discloses the number of options and vested options outstanding as at December 31, 2015:

	Option Outstanding			Option Exercisable		
Exercise price (C$/option)	Options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C$/option)	Options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C$/option)
$0.06 to $0.70	11,635,000	4.10	$ 0.11	6,068,750	3.34	$ 0.12
$1.16 to $1.60	1,500,000	0.48	1.40	1,500,000	0.48	1.40
Outstanding - end of year	13,135,000	3.68	$ 0.26	7,568,750	2.99	$ 0.38

The following table discloses the number of options and vested options outstanding as at December 31, 2014:

	Option Outstanding			Option Exercisable		
Exercise price (C$/option)	Options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C$/option)	Options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C$/option)
$0.10 to $0.70	3,460,000	3.71	$ 0.15	2,733,750	3.67	$ 0.16
$71 to $1.45	2,675,000	1.07	1.36	2,675,000	1.07	1.36
Outstanding - end of period	6,135,000	2.56	$ 0.68	5,408,750	2.38	$ 0.75

21 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. The remuneration of the Company's directors and other key management personnel during the year ended December 31, 2015 and 2014, are as follows:

	2015	2014
Short-term employee benefits included in salary and consulting	$ 120	$ 203
Director's fees included in professional fess	109	129
Share-based compensation	204	23
Legal fees included in professional fees	93	66
Consulting fees included in salary and consulting	127	147

Short-term employee benefits include salaries incurred within the last twelve months of the statement of financial position date and other annual employee benefits. They are included in cost of sales, administrative expenses and exploration and evaluation properties.

At December 31, 2015, trade and other accounts payable includes $185 (December 31, 2014 - $324) owing to a director and/or officer and/or companies controlled by the directors.

During the year ended December 31, 2015 the Company paid legal fees totalling $93 (2014 - $66) consulting fees totalling $127 (2014 - $147) to companies controlled by directors and/or officers of the Company.

Due to the particulars in Mexican law, it is common for operating companies to employ their workers through a management company. The employees of Granmin Mexico were employed until May 31, 2014 by Pabelini, S.A. de C.V. ("Pabelini"), a company owned by the estranged spouse of the CEO. Under an agreement, dated June 1, 2011, between Granmin Mexico and Pabelini, Pabelini paid all of the Cerro Colorado mine employees and Granmin Mexico administrative personnel and was reimbursed by Granmin Mexico. Pabelini charged a fee equal to 5% of the base salaries of the employees, before additions for statutory remittances. During the year ended December 31, 2015 this fee totaled $nil (2014 - $47). This fee was meant to reimburse Pabelini for its office costs and administrative overhead costs incurred in managing the payroll and making all required remittances to the Mexican government in association with salaries of such employees. At December 31, 2015, amounts owing to Pabelini totalled $nil (December 31, 2014 - $12).

In addition to Pabelini, a number of expatriate workers and Caballo Blanco employees were employed until September 30, 2014 by MINOP, S.A. de C.V. ("Minop"). Minop is a private company controlled by the son-in-law of the CEO. Under an agreement, dated October 1, 2011 and expiring September 30, 2014, Minop charged a service fee equal to 1.5% of base salary for employees earning greater than $100 per year and 3% for employees earning less than $100 base salary per year. During the year ended December 31, 2015 this fee totaled $nil (2014 - $14). This fee was meant to reimburse Minop for administrative costs incurred by the company in providing these services.

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand.

22 Cost of sales

	For year ended December 31,	
	2015	**2014**
Raw materials	$ -	$ 3,649
Salaries and benefits	-	1,014
Contractors	-	1
Royalties	-	132
Change in inventory	-	269
Inventory impairment	-	-
Other	-	(64)
	$ -	$ 5,001

23 Finance cost

		For year ended December 31,	
	Note	**2015**	**2014**
Accretion expense – promissory note	17	$ 36	$ 104
Accretion expense – loan payable		-	172
Accretion expense - facility	16	1,336	-
Interest expense – promissory note	17	96	120
Interest expense – loan payable		-	268
Interest expense – loan payable		-	367
Interest expense – facility	16	558	-
Commitment fee – loan payable	16	68	25
Other finance expense – facility	16	106	-
		$ 2,200	$ 1,056

24 Income tax

	For the year ended	
	December 31, 2015	**December 31, 2014**
Current income tax expense	$ 25	$ -
Deferred income tax (recovery) expense	(316)	(7,919)
	$ 291	$ (7,919)

The tax effects of temporary differences between amounts recorded in the Company's accounts and the corresponding amounts as computed for income tax purposes give rise to deferred tax assets (liabilities) as follows:

December 31, 2015	**Canada**	**Mexico**	**Total**
Tax loss carry-forwards	$ -	$ (1,250)	$ 1,301
Exploration and evaluation property and mine property	-	1,250	(1,908)
Other	-	-	-
Deferred tax liability	$ -	$ 0	$ (607)

December 31, 2014	**Canada**	**Mexico**	**Total**
Tax loss carry-forwards	$ -	$ 212	$ 212
Exploration and evaluation property and mine property	-	(819)	(819)
Other	-	-	-
Deferred tax liability	$ -	$ (607)	$ (607)

At December 31, 2015, no deferred tax assets are recognized on the following temporary differences or it is not probable that sufficient future taxable profit will be available to realize such assets:

December 31, 2015	Canada	Mexico	Total
Tax loss carry-forwards	$ 4,321	$ 7,588	$ 11,909
Investment	1,001	1,715	2,716
Capital losses	86	-	86
Royalty deduction	-	-	-
Mineral property	-	103	103
Plant and equipment	140	187	327
Share issuance cost	188	-	188
Other	123	821	944
Unrecognized deferred tax assets	$ 5,859	$ 10,414	$ 16,273

December 31, 2014	Canada	Mexico	Total
Tax loss carry-forwards	$ 4,601	$ 4,757	$ 9,358
Investment	2,140	-	2,140
Royalty deduction	-	182	182
Mineral property	-	2,242	2,242
Plant and equipment	142	154	296
Share issuance cost	232	-	232
Other	10	975	985
Unrecognized deferred tax assets	$ 7,125	$ 8,310	$ 15,435

The Company has non-capital losses of approximately $36,400 (2014 - $33,800) to reduce future income tax payable in Canada which expire between the years 2015 and 2034.

In Mexico, the Company has losses of approximately $18,400 (2014 - $16,600) to reduce income tax in Mexico which expire between 2018 and 2024.

The provision for income tax differs from the amount calculated using Canadian federal and provincial statutory income tax rate of 26% (2014 – 26%) as follows:

	Year ended December 31,	
	2015	2014
Expected income tax recovery	$ (6,870)	$ (16,872)
Non-deductible items	2,993	6,381
Tax rate differences	(501)	(1,493)
Royalty deductions		(2,781)
Foreign exchange	2,464	3,751
Other	802	288
Deferred tax assets not recognized	821	2,807
Income tax (recovery) expense	$ (291)	$ (7,919)

25 Segmented disclosure

The Company operates in three geographical and three operating segments. The operating segments are managed separately based on the nature of operations. Mining operations consists of the Cerro Colorado mine, which is no longer operational and exploration and development is primarily the Cerro Prieto project and includes the acquired El Mozo project.

All of the Company's revenue is generated in Mexico. Other selected financial information by geographical segment is as follows:

	As at December 31, 2015				As at December 31, 2014		
	Canada	Mexico	Ecuador	Total	Canada	Mexico	Total
Assets							
Cash and cash equivalent	248	(26)	-	**222**	6,802	6,057	**12,859**
Investments	1,751	-	-	**1,751**	15,841	-	**15,841**
Other receivables and prepaids	70	2,780	-	**2,850**	131	3,133	**3,264**
Inventory	-	725	-	**725**	-	925	**925**
Restricted cash	420	-	-	**420**	-	-	**-**
Property, plant and equipment	-	830	-	**830**	-	969	**969**
Enterprise Resource	-	-	-	**-**	185	-	**185**
Loans receivable	1,084	-	-	**1,084**	-	-	**-**
Exploration and evaluation properties	-	-	698	**698**	-	-	**-**
Development properties	-	10,163	-	**10,163**	-	15,601	**15,601**
Liabilities							
Accounts payable and accrued liabilities	(607)	(3,996)	-	**(4,603)**	(939)	(3,681)	**(4,620)**
Tax payable	-	(258)	-	**(258)**	-	(1,866)	**(1,866)**
Loan payable	(3,366)	-	-	**(3,366)**	(4,444)	-	**(4,444)**
Promissory note	(985)	-	-	**(985)**	(1,503)	-	**(1,503)**
Warrant liability	(318)	-	-	**(318)**	(704)	-	**(704)**
Decommissioning obligation	-	(1,874)	-	**(1,874)**	-	(1,103)	**(1,103)**

Selected financial information by operating segments is as follows:

	As at December 31, 2015				As at December 31, 2014			
	Mining Operation	Exploration & Development	Corporate	Total	Mining Operation	Exploration & Development	Corporate	Total
Assets								
Cash and cash equivalent	-	(26)	248	**222**	-	6,057	6,802	**12,859**
Investments	-	-	1,751	**1,751**	-	-	15,841	**15,841**
Accounts receivables and prepaids	-	2,780	70	**2,850**	-	3,133	131	**3,264**
Inventory	-	725	-	**725**	-	925	-	**925**
Restricted cash	-	-	420	**420**	-	-	-	**-**
Property, plant and equipment	-	830	-	**830**	511	458	-	**969**
Enterprise Resource	-	-	-	**-**	-	-	185	**185**
Loans receivable	-	-	1,084	**1,084**	-	-	-	**-**
Exploration and evaluation properties	-	698	-	**698**	-	-	-	**-**
Development properties	-	10,163	-	**10,163**	-	15,601	-	**15,601**
Total assets	-	15,170	3,573	**18,743**	511	26,174	22,959	**49,644**

	For year ended December 31,	
	2015	**2014**
Revenue		
Mining operations	-	5,200
Loss before income taxes for the period		
Mining Operations	-	(240)
Exploration and evaluation	(13,858)	(64,169)
Corporate	(12,563)	(485)
	$ (26,421)	$ (64,894)

26 Commitments

a. In December 2013, the Company entered into a new office lease agreement whereby the Company has minimum lease payment of $50 per year for the period February 1, 2014 to July 31, 2016.

b. As part of ongoing surface rights land negotiations with local property owners, the Company’s subsidiary has entered into surface land purchase agreements whereby it has agreed to pay a fee by October 25, 2013 and October 25, 2016 for specific surface rights. In October 2013 the Company’s subsidiary and the local property owners agreed to defer the surface land rights payments, originally due on October 25, 2013, by six months each and up to another six months in the event that the Company has not commenced construction on the

Caballo Blanco project. Subsequent to the sale of Caballo Blanco to Timmins Gold in 2014, the fees related to the surface right agreement remained unchanged. The Company is proceeding with ongoing discussions to modify the agreement to reduce the overall payment.

c. In 2011, the Company acquired the Caballo Blanco project held previously by Almaden Minerals Ltd. ("Almaden"). As part of the consideration, the Company may have to issue up to an additional 7.0 million common shares of the Company upon achievement of certain project milestones. Subsequent to the sale of Caballo Blanco to Timmins Gold in fiscal 2014, the terms of these contingent shares remained unchanged.

27 Capital management

The capital of the Company consists of items included in shareholder's equity. The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at December 31, 2015, the Company expects its capital resources will require additional support for its normal operating requirements, planned development and exploration of its mineral properties for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied.

28 Supplemental cash flow information

	Year Ended December 31,	
	2015	**2014**
Depreciation capitalized to development properties (note 10)	$ 775	$ 341
Depreciation capitalized to exploration and evaluation properties	-	73
Shares issuance – acquisition of 0990718 BC Ltd (note 12)	382	-
Shares issuance – Oroco commitment (note 26(d))	2,267	-
Shares issuance - exploration and evaluation property	-	210
Share issuance – transaction costs	-	114
Shares received for sale of Caballo Blanco, gross	-	13,540
Other comprehensive income related to investment revaluation	1,953	2,245
Transaction costs associated with sale of Caballo Blanco in accounts payable	99	154
Warrants issued for loan payable	-	1,082
Development expenditures accrued	3,445	2,460
Decommissioning obligation capitalized	748	153
Property and equipment accrued	420	-
Accretion expense capitalized	23	-

29 Subsequent events

Subsequent to December 31, 2015, the Company:

a. Amended the terms of its loan facility and issued 8,642,080 as described in note 16.

b. Issued 4,691,000 common shares as partial repayment of the promissory note as described in note 17.