NEWMARKET GOLD INC.
(formerly Crocodile Gold Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Stated in United States dollars)

As at and for the three and six months ended June 30, 2015 and 2014

(Unaudited)

NEWMARKET GOLD INC. (formerly Crocodile Gold Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Income
(Stated in United States dollars)

	Notes	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Revenue	3	**$ 66,044,377**	$ 69,231,729	**$ 138,941,212**	$ 139,619,365
Cost of operations					
Operating expenses		**(36,882,659)**	(51,776,001)	**(78,204,513)**	(104,954,993)
Royalty expense		**(766,792)**	(45,751)	**(1,417,864)**	(91,133)
Depletion and depreciation		**(8,876,584)**	(9,281,602)	**(20,038,798)**	(19,147,197)
Total cost of operations	3	**(46,526,035)**	(61,103,354)	**(99,661,175)**	(124,193,323)
Mine operating income		**19,518,342**	8,128,375	**39,280,037**	15,426,042
Expenses					
Exploration and evaluation		**(2,664,888)**	(750,817)	**(3,434,956)**	(1,316,576)
Care and maintenance	18	**1,463,113**	(97,974)	**1,184,188**	(1,238,539)
Professional, consulting and management fees		**(1,751,604)**	(1,004,274)	**(3,043,568)**	(1,780,370)
Other general and administrative expenses		**(157,775)**	(183,350)	**(373,894)**	(381,929)
Share-based compensation	14	**(86,879)**	(60,613)	**(242,146)**	(135,043)
Other (losses) gains	4	**(2,996,296)**	626,350	**(2,803,172)**	(5,139,159)
Total expenses		**(6,194,329)**	(1,470,678)	**(8,713,548)**	(9,991,616)
Income before finance items and income taxes		**13,324,013**	6,657,697	**30,566,489**	5,434,426
Finance income		**409,604**	282,512	**618,332**	537,125
Finance costs	5	**(1,031,685)**	(2,096,306)	**(2,190,469)**	(4,072,228)
Income before tax		**12,701,932**	4,843,903	**28,994,352**	1,899,323
Income tax expense		**(630,018)**	(909,572)	**(1,219,518)**	(1,290,729)
Net income		**$ 12,071,914**	$ 3,934,331	**$ 27,774,834**	$ 608,594
Other comprehensive (loss) income					
Items that may be reclassified subsequently to profit and loss:					
Unrealized loss on available for sale securities		**(86,193)**	(194,016)	**(103,893)**	(238,531)
Exchange differences on translating foreign operations		**825,596**	1,485,821	**(7,212,284)**	9,000,343
Reclassification adjustment for impairment loss included in net income	11	**1,699,882**	-	**1,699,882**	-
Comprehensive income		**$ 14,511,199**	$ 5,226,136	**$ 22,158,539**	$ 9,370,406
Income per share - basic*		**$ 0.10**	$ 0.03	**$ 0.24**	$ 0.01
Income per share - diluted*		**$ 0.10**	$ 0.03	**$ 0.23**	$ 0.01
Weighted average number of shares outstanding*					
- basic (number)		**117,003,965**	116,809,750	**116,951,497**	111,455,190
- diluted (number)		**119,202,354**	118,084,236	**118,911,067**	112,668,943

**** Income per share and weighted average number of shares outstanding, basic and diluted, are presented after giving effect to the share exchange ratio of the Arrangement (Note 2)***

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

NEWMARKET GOLD INC. (formerly Crocodile Gold Corp.)

Condensed Interim Consolidated Statements of Financial Position
(Stated in United States dollars)

As at:	Notes	June 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 38,613,138**	$ 33,775,417
Gold bullion (market value - $234,200; December 31, 2014 - $3,316,500)	6	**143,513**	2,441,661
Restricted cash		**69,237**	133,879
Receivables		**2,065,060**	2,308,503
Inventories	7	**21,396,299**	20,518,426
Prepaid expenses and other current assets		**2,106,436**	3,572,599
Total current assets		**64,393,683**	62,750,485
Non-current assets			
Restricted cash		**18,725,075**	19,875,487
Financial deposits	8	**-**	2,284,696
Mine properties	9	**100,370,297**	109,398,724
Property, plant and equipment	10	**46,025,300**	48,395,643
Investments	11	**4,981,225**	5,631,914
Deferred tax assets		**6,135,937**	7,791,866
Total assets		**$ 240,631,517**	$ 256,128,815
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**$ 29,008,660**	$ 30,578,934
Current portion of long-term debt	15	**3,159,962**	3,887,071
Provisions	18	**7,149,339**	6,951,471
Contingent payments	19	**-**	8,732,922
Total current liabilities		**39,317,961**	50,150,398
Non-current liabilities			
Long-term debt	15	**23,432,145**	25,204,566
Provisions	18	**31,623,085**	35,555,468
Contingent payments	19	**-**	21,437,078
Total liabilities		**94,373,191**	132,347,510
SHAREHOLDERS' EQUITY			
Issued capital	12	**322,474,717**	322,302,591
Equity reserves	13	**21,990,279**	21,843,923
Accumulated other comprehensive loss		**(38,657,257)**	(33,040,962)
Retained deficit		**(159,549,413)**	(187,324,247)
Total shareholders' equity		**146,258,326**	123,781,305
Total liabilities and shareholders' equity		**$ 240,631,517**	$ 256,128,815

Commitments and contingencies (Note 22)

APPROVED ON BEHALF OF THE BOARD ON JULY 29, 2015:

Signed *"Robert Getz"*, DIRECTOR

Signed *"Raymond Threlkeld"*, DIRECTOR

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

NEWMARKET GOLD INC. (formerly Crocodile Gold Corp.)

Condensed Interim Consolidated Statements of Cash Flows
(Stated in United States dollars)

	Notes	Three months ended June 30, 2015	2014	Six months ended June 30, 2015	2014
Cash provided by operations:					
Net income		**$ 12,071,914**	$ 3,934,331	**$ 27,774,834**	$ 608,594
Items not involving cash:					
Share-based payments		**86,879**	60,613	**242,146**	135,043
Depletion and depreciation		**8,876,584**	9,281,602	**20,038,798**	19,147,197
Unwinding discount on rehabilitation provision		**159,553**	310,432	**354,776**	599,932
Non-cash care and maintenance	18	**(1,554,156)**	-	**(1,421,535)**	-
Loss (gain) on disposal of property, plant and equipment		**570,745**	(750)	**572,694**	(108,371)
Non-cash accretion expense		**829,722**	1,686,569	**1,634,196**	3,292,739
Write-down of exploration properties		**69,809**	-	**69,809**	-
Unrealized currency translation		**7,689**	-	**7,689**	-
Loss on revaluation of investments	18	**2,452,160**	-	**2,452,160**	-
Write-down of financial deposits	15	**-**	989,428	**-**	989,428
(Gain) loss on change in contingent liability	19	**-**	(1,585,712)	**-**	4,613,362
Deferred tax expense		**630,018**	909,572	**1,219,518**	1,290,729
Working capital adjustments	20	**2,870,541**	2,598,358	**1,612,726**	75,254
Net cash provided by operating activities		**27,071,458**	18,184,443	**54,557,811**	30,643,907
Investing activities					
Expenditure on mine development	3	**(12,793,417)**	(14,777,079)	**(23,937,799)**	(29,758,705)
Expenditure on property, plant and equipment	3	**(4,363,573)**	(2,201,290)	**(6,679,561)**	(4,052,352)
Proceeds on dispositions of assets		**28,163**	2,884	**54,241**	110,505
Termination of contingent liability	19	**-**	-	**(16,744,000)**	-
Payment of contingent liability	19	**-**	(2,464,394)	**-**	(2,464,394)
Payment for investment	11	**(46,669)**	(279,869)	**(604,169)**	(279,869)
Receipt of financial deposits	8	**2,192,195**	-	**2,192,195**	-
Decrease (increase) in restricted cash		**44,506**	(28,598)	**44,506**	2,965,650
Net cash used in investing activities		**(14,938,795)**	(19,748,346)	**(45,674,587)**	(33,479,165)
Financing activities					
Repayment of convertible debentures		**(1,147,219)**	(1,259,112)	**(1,147,219)**	(1,259,112)
Proceeds from the issue of shares/units	12	**-**	-	**-**	16,163,793
Cost of issue	12	**-**	-	**-**	(669,384)
Repayment of credit facility		**-**	-	**-**	(4,962,285)
Exercise of share options		**68,850**	-	**68,850**	-
Loan proceeds		**-**	-	**-**	2,868,142
Repayment of capital lease obligations		**(366,661)**	(1,122,420)	**(777,658)**	(2,228,928)
Repayment of other borrowings		**(25,841)**	(745,860)	**(263,775)**	(1,940,919)
Net cash (used in) provided by financing activities		**(1,470,871)**	(3,127,392)	**(2,119,802)**	7,971,307
Effect of exchange rate changes on cash		**194,910**	876,777	**(1,925,701)**	1,471,762
Change in cash and cash equivalents		**10,856,702**	(3,814,518)	**4,837,721**	6,607,811
Cash and cash equivalents, beginning of period		**27,756,436**	38,013,759	**33,775,417**	27,591,430
Cash and cash equivalents, end of period		**$ 38,613,138**	$ 34,199,241	**$ 38,613,138**	$ 34,199,241

Supplementary cash flow information – Note 20

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

NEWMARKET GOLD INC. (formerly Crocodile Gold Corp.)

Condensed Interim Consolidated Statements of Changes in Equity
(Stated in United States dollars)

	Share capital	Common shares to be issued	Purchase warrants	Equity reserves	Accumulated other comprehensive loss	Retained deficit	Total
Balance at December 31, 2013	$ 297,407,306	$ -	$ 9,365,657	$ 21,492,843	$ (21,268,983)	$ (207,276,180)	$ 99,720,643
Issuance of units, net of issue costs	14,251,917	-	1,242,492	-	-	-	15,494,409
Share based payments	-	-	-	135,043	-	-	135,043
Other comprehensive income	-	-	-	-	8,761,812	-	8,761,812
Net income	-	-	-	-	-	608,594	608,594
Balance at June 30, 2014	**$ 311,659,223**	**$ -**	**$ 10,608,149**	**$ 21,627,886**	**$ (12,507,171)**	**$ (206,667,586)**	**$ 124,720,501**
Balance at December 31, 2014	$ 311,685,334	$ 9,108	$ 10,608,149	$ 21,843,923	$ (33,040,962)	$ (187,324,247)	$ 123,781,305
Exercise of share options	68,850	-	-	-	-	-	68,850
Valuation on exercise of share options	27,975	-	-	(27,975)	-	-	-
Share based payments	43,391	24,424	-	174,331	-	-	242,146
Conversion of convertible debentures	7,486	-	-	-	-	-	7,486
Other comprehensive loss	-	-	-	-	(5,616,295)	-	(5,616,295)
Net income	-	-	-	-	-	27,774,834	27,774,834
Balance at June 30, 2015	**$ 311,833,036**	**$ 33,532**	**$ 10,608,149**	**$ 21,990,279**	**$ (38,657,257)**	**$ (159,549,413)**	**$ 146,258,326**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Newmarket Gold Inc. (formerly Crocodile Gold Corp.) (individually, or collectively with its subsidiaries, as applicable, "Newmarket Gold", "Crocodile Gold", or the "Company") is a Canadian listed gold mining and exploration company with three operating mines in Australia: the Cosmo Gold Mine in the Northern Territory and the Fosterville and Stawell Gold Mines in the State of Victoria. The Company also has a portfolio of development opportunities on its significant land package, including the Big Hill Project at Stawell and various projects in the Northern Territories.

The Company is incorporated in Canada under the legislation of the Province of Ontario. Newmarket Gold's common shares, certain share purchase warrants, and convertible unsecured debentures are listed on the Toronto Stock Exchange ("TSX"). The Company's head office is 200 Burrard Street, Suite 1680, Vancouver, British Columbia, Canada V6C 3L6. The Company's registered address is 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING ESTIMATES

Basis of Presentation

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements have been prepared in accordance with the significant accounting policies described in Note 3 and with the principles of consolidation described in Note 2 of the Company's consolidated financial statements as at and for the year ended December 31, 2014.

These condensed interim consolidated financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

Arrangement with Newmarket Gold Inc.

On July 10, 2015, the Company completed the Plan of Arrangement ("the Arrangement") with Newmarket Gold Inc. ("Newmarket") resulting in an amalgamation of the two companies. Pursuant to the Arrangement and effective upon closing, the two companies combined, with the amalgamated company being named Newmarket Gold Inc. ("Newmarket Gold"). Under the terms of the Arrangement, each Newmarket shareholder received 0.2 Newmarket Gold common shares for each Newmarket common share. Each Crocodile Gold shareholder had the option to elect to receive consideration per Crocodile Gold common share of (i) 0.2456 Newmarket Gold common shares, or (ii) C$0.37 in cash, subject to a maximum aggregate cash consideration of C$20,000,000.

The cash consideration was funded from a private placement of subscription receipts for gross proceeds of C$25,000,000 completed by Newmarket as a condition to the Arrangement. Immediately prior to the closing of the Arrangement, the proceeds of the financing were released from escrow and the underlying Newmarket common shares were issued. The remaining proceeds were available for working capital purposes.

Upon closing of the Arrangement, Newmarket Gold had 134,220,992 common shares issued and outstanding, with the breakdown comprised of the following on an undiluted basis:

	Crocodile Gold Shareholders	Newmarket Shareholders	Newmarket Gold Shareholders
Common shares outstanding as at July 10, 2015	477,111,983	51,590,374	
Crocodile Gold shares tendered for cash	(54,054,054)	-	
Net common shares for conversion	423,057,929	51,590,374	
Exchange ratio	0.2456	0.2000	
Newmarket Gold common shares	103,902,917	10,318,075	114,220,992
Subscription receipt financing	-	20,000,000	20,000,000
Newmarket Gold common shares upon closing	**103,902,917**	**30,318,075**	**134,220,992**

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Arrangement with Newmarket Gold Inc. (continued)

The issued capital, options, and phantom share units ("PSU's") of the Company as at June 30, 2015 are disclosed on a pre-Arrangement basis in notes 12 and 14 of these condensed interim consolidated financial statements. Upon closing of the Arrangement, the Crocodile Gold share purchase warrants and options are exercisable for 0.2456 Newmarket Gold common shares, reflecting the number of Newmarket Gold common shares a holder would have received if they were the holder of that number of Crocodile Gold common shares at the time of the Arrangement.

The following table depicts the Newmarket Gold common shares issuable for the Crocodile Gold warrants and options outstanding as at June 30, 2015:

	Crocodile Gold Common Shares	Newmarket Gold Common Shares
Unvested common shares to be issued (note 12)	410,000	100,696
Warrants (note 12)	63,882,693	15,689,589
Options (note 14)	17,770,000	4,364,312

The 1,595,000 PSU's granted (note 14) are also adjusted by the exchange ratio and now represent 391,732 Newmarket Gold PSU's. In addition, the strike prices of the PSU's were adjusted to reflect the exchange ratio of 0.2456.

As a result of the Arrangement, the Company assumed the outstanding Newmarket stock options and warrants, which are exercisable for 0.2 Newmarket Gold common shares, reflecting the number of Newmarket Gold common shares a holder would have received if they were the holder of that number of Newmarket common shares at the time of the Arrangement. On July 10, 2015, Newmarket had 2,900,000 stock options outstanding that are exercisable for 580,000 Newmarket Gold common shares at a weighted average exercise price of C$1.25 and 23,333,334 warrants that are exercisable for 4,666,666 Newmarket Gold common shares at a price of C$1.50.

Upon closing of the Arrangement, the Company's convertible unsecured debentures ("Debentures") (note 17) are convertible into Newmarket Gold common shares with each C$1,000 principal being convertible into approximately 982.4 Newmarket Gold common shares, being 4,000 Crocodile Gold common shares multiplied by the exchange ratio of 0.2456. Each Debenture is convertible at the holder's option into Newmarket Gold common shares at any time prior to maturity at a conversion price of C$1.02 (equivalent to a pre-Arrangement conversion price of C$0.25). Full details with respect to the Debentures are included in note 17.

For accounting purposes, the Arrangement constitutes an asset acquisition by Crocodile Gold, as Newmarket does not meet the definition of a business, as defined in IFRS 3 *Business Combinations*. Accordingly, effective as at the date of closing, July 10, 2015, the assets and liabilities of Crocodile Gold will continue at their carrying values and Newmarket's net assets will be consolidated based on their fair value as at July 10, 2015. As at the date of these interim financial statements, the initial accounting for the Arrangement is not yet finalized as the Company is in the process of determining the fair values of the assets acquired and the liabilities assumed.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Income per Share

On a pre-Arrangement basis, the basic and diluted income per share and weighted average number of shares outstanding for the three and six months ended June 30, 2015 and 2014 were as follows:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Income per share – basic and diluted	**$ 0.03**	$ 0.01	**$ 0.06**	$ 0.00
Weighted average number of shares outstanding				
- Basic (number)	**476,400,510**	475,609,733	**476,186,878**	453,807,778
- Diluted (number)	**485,351,604**	480,799,007	**484,165,583**	458,749,767

The basic and diluted income per share on the condensed interim consolidated statements of operations are calculated based on the following weighted average number of shares outstanding, which give effect to the exchange ratio of the Arrangement of 0.2456:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Income per share – basic	**$ 0.10**	$ 0.03	**$ 0.24**	$ 0.01
Income per share – diluted	**$ 0.10**	$ 0.03	**$ 0.23**	$ 0.01
Weighted average number of shares outstanding				
- Basic (number)	**117,003,965**	116,809,750	**116,951,497**	111,455,190
- Diluted (number)	**119,202,354**	118,084,236	**118,911,067**	112,668,943

The weighted average number of shares on the condensed interim consolidated statements are as of June 30, 2015 and consequently do not include the impact of the Crocodile Gold shares tendered for cash and the issuance of shares from the subscription receipt financing.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with the significant accounting judgments, estimates and assumptions set out in Note 4 of the consolidated financial statements as at and for the year ended December 31, 2014.

Significant Accounting Policies

The unaudited condensed interim consolidated financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2014, except for the adoption of the following standard amended by the IASB that was effective and adopted as of January 1, 2015:

IFRS 8 *Operating Segments* ("IFRS 8") was amended to require an entity to disclose the judgments made by management in aggregating segments. IFRS 8 was also amended to clarify that an entity needs to present a reconciliation between the total reporting segment's assets to the entities' total assets if this information is usually provided to the chief operating decision maker. There was no impact on the Company's condensed interim consolidated financial statements upon adoption of this standard.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Significant Accounting Policies (continued)

Recently issued but not adopted accounting guidance includes IAS 1 *Presentation of Financial Statements*, IFRS 9 *Financial Instruments*, and IFRS 15 *Revenue From Contracts With Customers.* The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IAS 1 *Presentation of Financial Statements* ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements, and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 *Revenue From Contracts With Customers* ("IFRS 15") proposes to replace IAS 18 *Revenue*, IAS 11 *Construction Contracts,* and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

3. OPERATING SEGMENTS

Revenue and cost of operations by operating segment for the three and six months ended June 30, 2015 are as follows:

	Northern Territory		Fosterville		Stawell		Total	
	Q2 2015	YTD 2015	Q2 2015	YTD 2015	Q2 2015	YTD 2015	Q2 2015	YTD 2015
Revenue								
Gold	$ 19,865,724	$ 44,124,856	$ 34,648,608	$ 71,146,065	$ 11,449,316	$ 23,346,365	$ 65,963,648	$ 138,617,286
Silver	41,848	91,280	12,924	22,430	25,957	55,491	80,729	169,201
Other	-	-	-	-	-	154,725	-	154,725
	19,907,572	44,216,136	34,661,532	71,168,495	11,475,273	23,556,581	66,044,377	138,941,212
Cost of operations								
Operating expense	(14,377,860)	(29,986,669)	(14,758,967)	(31,073,568)	(7,745,832)	(17,144,276)	(36,882,659)	(78,204,513)
Royalty expense	-	-	(751,450)	(1,388,374)	(15,342)	(29,490)	(766,792)	(1,417,864)
Depletion and depreciation	(2,548,734)	(6,119,442)	(6,144,366)	(13,609,950)	(183,484)	(309,406)	(8,876,584)	(20,038,798)
	(16,926,594)	(36,106,111)	(21,654,783)	(46,071,892)	(7,944,658)	(17,483,172)	(46,526,035)	(99,661,175)
Mine operating income (loss)	**$ 2,980,978**	**$ 8,110,025**	**$ 13,006,749**	**$ 25,096,603**	**$ 3,530,615**	**$ 6,073,409**	**$ 19,518,342**	**$ 39,280,037**

Capital expenditures by operating segment for the three and six months ended June 30, 2015 are as follows:

	Northern Territory		Fosterville		Stawell		Total	
	Q2 2015	YTD 2015	Q2 2015	YTD 2015	Q2 2015	YTD 2015	Q2 2015	YTD 2015
Mine development	$ 3,587,423	$ 6,825,745	$ 7,775,605	$ 15,508,310	$ 1,430,389	$ 1,603,744	$ 12,793,417	$ 23,937,799
Property, plant and equipment	527,216	1,020,380	3,451,077	5,037,124	385,280	622,057	4,363,573	6,679,561
Total capital expenditures	**$ 4,114,639**	**$ 7,846,125**	**$ 11,226,682**	**$ 20,545,434**	**$ 1,815,669**	**$ 2,225,801**	**$ 17,156,990**	**$ 30,617,360**

Revenue and cost of operations by operating segment for the three and six months ended June 30, 2014 were as follows:

	Northern Territory		Fosterville		Stawell		Total	
	Q2 2014	YTD 2014	Q2 2014	YTD 2014	Q2 2014	YTD 2014	Q2 2014	YTD 2014
Revenue								
Gold	$ 28,340,132	$ 52,152,776	$ 27,729,015	$ 60,795,558	$ 13,070,584	$ 25,272,267	$ 69,139,731	$ 139,220,601
Silver	47,634	83,578	7,953	18,564	36,411	69,216	91,998	171,358
Other	-	-	-	-	-	227,406	-	227,406
	28,387,766	53,236,354	27,736,968	60,814,122	13,106,995	25,568,889	69,231,729	139,619,365
Cost of operations								
Operating expense	(20,488,614)	(43,172,068)	(19,143,402)	(38,956,828)	(12,143,985)	(22,826,097)	(51,776,001)	(104,954,993)
Royalty expense	-	-	(26,888)	(57,373)	(18,863)	(33,760)	(45,751)	(91,133)
Depletion and depreciation	(2,420,179)	(4,211,710)	(6,705,702)	(14,618,727)	(155,721)	(316,760)	(9,281,602)	(19,147,197)
	(22,908,793)	(47,383,778)	(25,875,992)	(53,632,928)	(12,318,569)	(23,176,617)	(61,103,354)	(124,193,323)
Mine operating income (loss)	**$ 5,478,973**	**$ 5,852,576**	**$ 1,860,976**	**$ 7,181,194**	**$ 788,426**	**$ 2,392,272**	**$ 8,128,375**	**$ 15,426,042**

Capital expenditures by operating segment for the three and six months ended June 30, 2014 were as follows:

	Northern Territory		Fosterville		Stawell		Total	
	Q2 2014	YTD 2014	Q2 2014	YTD 2014	Q2 2014	YTD 2014	Q2 2014	YTD 2014
Mine development	$ 3,965,140	$ 8,716,472	$ 9,645,374	$ 18,899,880	$ 1,166,565	$ 2,142,353	$ 14,777,079	$ 29,758,705
Property, plant and equipment	322,199	883,580	1,637,359	2,842,185	241,732	326,587	2,201,290	4,052,352
Total capital expenditures	**$ 4,287,339**	**$ 9,600,052**	**$ 11,282,733**	**$ 21,742,065**	**$ 1,408,297**	**$ 2,468,940**	**$ 16,978,369**	**$ 33,811,057**

4. OTHER (LOSSES) GAINS

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
(Loss) gain on disposal of property, plant and equipment	**$ (570,745)**	$ 750	**$ (572,694)**	$ 108,371
Other income	**64,666**	84,042	**189,617**	261,595
Loss on revaluation of investments (note 11)	**(2,452,160)**	-	**(2,452,160)**	-
Gain (loss) on revaluation of contingent liability	**-**	1,585,712	**-**	(4,613,362)
Write-down of financial deposits	**-**	(989,428)	**-**	(989,428)
Net foreign exchange (loss) gain	**(38,057)**	(54,726)	**32,065**	(93,665)
	$ (2,996,296)	$ 626,350	**$ (2,803,172)**	$ (5,139,159)

5. FINANCE COSTS

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Interest on capital leases and other loans	**$ 42,410**	$ 99,306	**$ 201,497**	$ 179,557
Accretion on discount of credit facility	**-**	-	**-**	121,102
Accretion on discount of contingent liability	**-**	788,878	**-**	1,405,796
Accretion on discount of convertible unsecured debentures (note 17)	**829,722**	897,691	**1,634,196**	1,765,841
Unwinding of discount on rehabilitation provision (note 18)	**159,553**	310,431	**354,776**	599,932
	$ 1,031,685	$ 2,096,306	**$ 2,190,469**	$ 4,072,228

6. GOLD BULLION

	June 30, 2015	December 31, 2014
Ounces held (oz)	**200**	2,750
Weighted average production cost ($/oz)	**718**	888
Production cost ($)	**143,513**	2,441,661
Spot price for gold, period end ($/oz)	**1,171**	1,206
Market value ($)	**234,200**	3,316,500

As at June 30, 2015 and December 31, 2014, gold bullion was recorded at cost and was held in a metals account at the Perth Mint in Perth, Australia.

7. INVENTORIES

	June 30, 2015	December 31, 2014
Unshipped gold doré	**$ 171,552**	$ 9,415
Gold in circuit	**6,225,486**	4,714,465
Ore stockpiles	**3,802,461**	3,748,173
Supplies and consummables	**11,196,800**	12,046,373
	$ 21,396,299	$ 20,518,426

As at June 30, 2015, ore stockpiles, gold in circuit, and unshipped gold doré were recorded at cost. The total amount of the write-down recorded as an operating expense on the condensed interim consolidated statement of operations during the six months ended June 30, 2015 was $8,377 (six months ended June 30, 2014 - $nil).

8. FINANCIAL DEPOSITS

The Northern Territory of Australia levies a stamp duty on various instruments and transactions at a rate of approximately 5% on the dutiable value of the transaction. On the purchase of the Northern Territory mineral properties in 2009, the Company paid stamp duty of A$2,264,000 ($1,818,000). In January 2010, the Territory Revenue Office ("TRO") of the Northern Territory notified the Company that it was the position of the TRO that stamp duty was also payable to be calculated by reference to the fair value of the Company's dutiable property on the date of the amalgamation that created Crocodile Gold, November 3, 2009.

The Company subsequently received an assessment from the TRO on March 8, 2012, requiring total payments of A$5,620,000 for stamp duty, accrued interest and penalties. That assessment was based on the TRO's belief that the amalgamation involved three dutiable events. The Company lodged an objection and provided the TRO with considerable documentary evidence to support the Company's position. On August 1, 2013, the Company received a response from the TRO indicating that the Company's objection had been allowed in part and consequently the reassessed stamp duty decreased A$1,984,000 from the original assessment.

On September 26, 2013, the Company filed a Notice of Appeal in the Supreme Court of the Northern Territory to appeal the disallowed items in the objection as the Company's position remained that the amalgamation did not trigger any additional stamp duty liability.

Since receiving the initial notice in January 2010, the Company has paid A$3,868,000 to the TRO as a deposit against the stamp duty, penalties and interest which would be payable if the TRO's position were to prevail. Despite the payments, which were recorded as a financial deposit, the Company's position remained that the amalgamation did not trigger any additional stamp duty liability. During the year ended December 31, 2014, the Company recorded a write-down to financial deposits of $989,428 (A$1,072,000) with respect to a portion of the total which the Company believed was unlikely to be recoverable. The write-down was included in other (losses) gains on the consolidated statement of operations for the year ended December 31, 2014.

On March 6, 2015, the Supreme Court of the Northern Territory released its reasons for judgment on the matter and ruled in favour of the Company's appeal. On May 7, 2015, the Company received A$3,080,000, which included the prescribed interest on the financial deposits, from the TRO as a result of the Company's successful appeal. On June 22, 2015, the Company received A$419,000 from the TRO for the recovery of a portion of its costs incurred as part of the appeal.

9. MINE PROPERTIES

		June 30, 2015		December 31, 2014
Northern Territory (including the Cosmo Gold Mine)	**$**	**46,950,967**	$	48,183,994
Fosterville Gold Mine		**45,932,708**		53,948,995
Stawell Gold Mines		**7,486,622**		7,265,735
	$	**100,370,297**	$	109,398,724

Movements in carrying amounts:

		June 30, 2015		December 31, 2014
Opening balance	**$**	**109,398,724**	$	71,989,151
Additions		**23,937,799**		59,437,465
Depreciation		**(14,191,500)**		(23,522,670)
Value of royalty granted (note 19)		**(12,558,037)**		-
Transfers		**-**		828,567
Change in rehabilitation provision		**(336,716)**		2,917,622
Disposals		**(69,809)**		(688,517)
Impairment (charge) reversal		**-**		8,358,933
Exchange adjustment		**(5,810,927)**		(9,921,827)
	$	**100,370,297**	$	109,398,724

9. MINE PROPERTIES (continued)

For the six months ended June 30, 2015, the Company concluded that no impairment charge or reversal was required on mine properties.

On January 14, 2015, the Company completed an agreement with AuRico Gold Inc. to terminate the net free cash flow sharing arrangement between the two parties in exchange for a one-time payment of C$20,000,000 and the granting of a 2% net smelter return royalty over the Fosterville Gold Mine commencing on that date, and a 1% net smelter return royalty over Stawell Gold Mines commencing January 1, 2016 (note 19). As a result of the termination agreement, the estimated fair value of the royalties granted was recorded against the carrying value of the mine properties.

For the year ended December 31, 2014, the Company identified the significant increase in the resource base of the Fosterville Gold Mine as an indicator of a potential reversal to an impairment recognized against Fosterville's carrying value for the year ended December 31, 2013. The Company also identified the increasing Australian dollar gold price as an indicator, such increase having resulted from the significant decrease in the exchange rate of the Australian dollar relative to the US dollar. Consequently, the Company performed an assessment to determine the recoverable amount of its mine operations for a potential impairment reversal by comparing the carrying value of the Fosterville Gold Mine, the lowest level of assets and liabilities for which there are independent cash flows, plus the amount of the impairment recognized in 2013 (adjusted for amortization that would have been recognized had the impairment not been recognized), to the discounted cash flows expected from the use and eventual disposition of those assets and liabilities.

The key assumptions used in determining the recoverable amount of the mine were the future gold price, discount rates, operating cash costs, and capital expenditures. The Company bases its future gold price estimate with reference to forward prices and analyst forecasts of future prices. For the determination of the impairment reversal, a gold price estimate of A$1,550 was used for 2015, A$1,525 for 2016, A$1,500 for 2017 and A$1,450 for 2018 and beyond, taking into account the impact of the Australian dollar exchange rate on the US dollar gold price. A discount rate of 12.5% was used to present value the estimated future cash flows from the operation.

The cash flows were based on the updated mine plan which incorporated the recent increase to the mineral reserves and resources, with reference to the exploration drilling results from the 2014 year. The Company also estimated the revenues and costs related to the conversion of a portion of the resource to reserves over the life of the mine, where appropriate based on historical experience and resource confidence. At December 31, 2014, the discounted cash flows over the life of mine for Fosterville exceeded the carrying value of the long-lived assets of the mine and an impairment reversal of $8,358,933 was recorded in the consolidated statement of operations.

10. PROPERTY, PLANT AND EQUIPMENT

		June 30, 2015		December 31, 2014
Northern Territory (including the Cosmo Gold Mine)	$	27,266,888	$	30,512,042
Fosterville Gold Mine		17,063,208		16,592,873
Stawell Gold Mines		1,695,205		1,290,728
	$	46,025,300	$	48,395,643

Movements in carrying amounts:

		June 30, 2015		December 31, 2014
Property, plant and equipment				
Opening balance	$	43,819,582	$	53,182,888
Additions		6,679,561		7,305,427
Transfers		2,275,680		(480,572)
Disposals		(626,943)		(94,464)
Depreciation expense		(5,045,958)		(12,074,813)
Exchange adjustment		(2,609,758)		(4,018,884)
	$	44,492,164	$	43,819,582
Property, plant and equipment under capital leases				
Opening balance	$	4,576,061	$	3,071,308
Additions		47,517		3,925,218
Transfers		(2,275,680)		-
Disposals		-		(451,289)
Depreciation expense		(595,572)		(1,527,142)
Exchange adjustment		(219,190)		(442,034)
	$	1,533,136	$	4,576,061
	$	46,025,300	$	48,395,643

11. INVESTMENTS

		June 30, 2015		December 31, 2014
JDS Silver Inc.	$	4,513,673	$	5,238,810
Primary Gold Limited		126,550		193,176
Navarre Minerals Limited		341,002		199,928
	$	4,981,225	$	5,631,914

On September 25, 2014, the Company acquired a 19.9% minority interest in JDS Silver Inc. ("JDS Silver"), a private company incorporated in British Columbia, Canada, for consideration of C$5,643,398. JDS Silver owns the Silvertip project, a near-production high-grade silver-lead-zinc project in northern British Columbia, Canada. The investment in JDS Silver was initially recorded at cost which represented the estimated fair value at the time of acquisition, and was revalued at December 31, 2014 based on the share price of a C$1,105,166 equity financing in which the Company did not participate. Based on the revaluation, the Company recorded $382,145 as a gain on the revaluation of the investment, which was included in other (losses) gains on the consolidated statement of operations for the year ended December 31, 2014.

On March 3, 2015, the Company subscribed for 357,143 common shares of JDS Silver for consideration of C$500,000 ($400,300). The subscription was part of a C$2,483,048 equity financing completed by JDS Silver totaling 1,773,606 common shares. In June and July 2015, JDS Silver completed a two-tranche C$3,800,000 equity financing totaling 3,166,667 common shares in which the Company did not participate. Based on the valuation of the first tranche of the financing completed in June 2015, the Company recorded a $752,278 loss on the revaluation of the investment, which was included in other (losses) gains on the condensed interim consolidated statement of operations for the six months ended June 30, 2015. Subsequent to the completion of the financing, the Company's investment represented a 17.1% interest in JDS Silver.

11. INVESTMENTS (continued)

The Company also holds investments in Primary Gold Limited ("Primary Gold") and Navarre Minerals Limited ("Navarre"), both listed on the Australian Stock Exchange. During the six months ended June 30, 2015, the Company acquired 8,666,666 additional common shares of Navarre for total consideration of A$260,000 ($203,869). These investments have been revalued to their fair value based on their quoted market prices as at June 30, 2015. During the six months ended June 30, 2015, $49,058 was recorded as an unrealized loss in other comprehensive (loss) income (six months ended June 30, 2014 – $238,531) on the revaluation of the investment in Navarre based on its quoted market price as at June 30, 2015. In relation to the Company's investment in Primary Gold, $1,699,882 was reclassified from accumulated other comprehensive income and recorded as a loss on the revaluation of investments in other (losses) gains on the condensed interim consolidated statement of operations for the six months ended June 30, 2015 (six months ended June 30, 2014 – $nil) as management has determined the decline in the quoted market price of Primary Gold to be permanent in nature.

12. ISSUED CAPITAL

The Company is authorized to issue an unlimited number of common shares.

Issued capital comprises:

		June 30, 2015		December 31, 2014
477,111,983 fully paid common shares (December 31, 2014: 475,815,983)	**$**	**311,833,036**	$	311,685,334
410,000 unvested common shares to be issued (December 31, 2014: 820,000)		**33,532**		9,108
63,882,693 common share purchase warrants (December 31, 2014: 63,882,693)		**10,608,149**		10,608,149
	$	**322,474,717**	$	322,302,591

Fully paid common shares

Fully paid common shares, which have no par value, carry one vote per share and carry a right to dividends.

Common shares issued	**Number of Shares**		**Value**
Balance as at December 31, 2013	406,378,963	$	297,407,306
Shares issued on private placement, net of issue costs:			
February 2014 (i)	69,230,770		14,251,917
Exercise of share options	206,250		18,134
Exercise of share options – option valuation transferred from equity reserves (note 13)	-		7,977
Balance as at December 31, 2014	475,815,983	$	311,685,334
Share compensation (note 14)	410,000		43,391
Conversion of convertible unsecured debentures (note 17)	36,000		7,486
Exercise of share options	850,000		68,850
Exercise of share options – option valuation transferred from equity reserves (note 13)	-		27,975
Balance as at June 30, 2015	**477,111,983**	**$**	**311,833,036**

(i) On February 27, 2014, the Company closed a C$18,000,000 private placement whereby it issued 69,230,770 units at a price of C$0.26 per unit for net proceeds of $15,494,409 (C$17,350,000). Each unit consists of one common share of the Company and one-quarter of one common share purchase warrant with each whole warrant being exercisable to acquire one further common share of the Company at a price of C$0.35 for a period of 12 months from closing and at a price of C$0.40 for an additional period of 12 months beginning on the date of the first anniversary of the closing of the placement. The grant date fair value of the warrants was estimated at $1,242,492, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 113%; risk-free interest rate of 1%; and expected life two years. Expected volatility was estimated based on the historical share prices of the Company. The Company's former majority shareholder, Luxor Capital Group LP (and its various subsidiaries defined as "Luxor"), subscribed for an aggregate of C$5,000,000 units as part of the private placement.

12. ISSUED CAPITAL (continued)

Warrants

The following table summarizes information about the warrants:

Warrants issued	Number of Warrants		Value
Balance as at December 31, 2013	46,575,000	$	9,365,657
Warrants issued on private placement, net of issue costs:			
February 2014 (i)	17,307,693		1,242,492
Balance as at December 31, 2014 and June 30, 2015	**63,882,693**	**$**	**10,608,149**

Upon exercise into common shares, the warrants are reclassified to share capital.

Summary of warrants outstanding at June 30, 2015:

Number of warrants	Exercise price (C$)	Grant date fair value of warrants	Expiry Date
40,500,000	$2.25	$ 8,644,297	March 24, 2016
6,075,000	$2.25	721,360	March 24, 2016
17,307,693	$0.40	1,242,492	February 27, 2016
63,882,693		$ 10,608,149	

The number of warrants and the exercise price of the warrants outstanding at June 30, 2015 are disclosed on a pre-Arrangement basis. Upon closing of the Arrangement, the Crocodile Gold share purchase warrants are exercisable for 0.2456 Newmarket Gold common shares, reflecting the number of Newmarket Gold common shares a holder would have received if they were the holder of that number of Crocodile Gold common shares at the time of the Arrangement (note 2). The effective exercise price of the warrants expiring March 24, 2016, to acquire one Newmarket Gold common share is C$9.16 and the effective exercise price of warrants expiring February 27, 2016, to acquire one Newmarket Gold common share is C$1.63.

13. EQUITY RESERVES

Balance as at December 31, 2013	$	21,492,843
Share-based compensation – options		359,057
Exercise of share options – option valuation transferred to common shares (note 12)		(7,977)
Balance as at December 31, 2014	$	21,843,923
Share-based compensation – options		174,331
Exercise of share options – option valuation transferred to common shares (note 12)		(27,975)
Balance as at June 30, 2015	**$**	**21,990,279**

14. SHARE-BASED PAYMENTS

Share compensation plan

At the annual and special meeting of Crocodile Gold's shareholders for the year ended December 31, 2010, shareholders of the Company approved the adoption of a share compensation plan pursuant to which the Board of Directors was authorized to issue up to 2,500,000 common shares to encourage the recruitment and retention of key persons. At the annual and special meeting of Crocodile Gold's shareholders for the year ended December 31, 2013, shareholders of the Company approved an amendment to the share compensation plan to (i) increase the maximum allowable share issuance by 200,000, to a maximum of 2,700,000 common shares, and (ii) remove the automatic issuance of shares allocated but not issued upon occurrence of a change of control.

14. SHARE-BASED PAYMENTS (continued)

Share compensation plan (continued)

During the year ended December 31, 2014, the Company allocated 820,000 shares out of a total of 822,506 shares available for issuance under the share compensation plan to directors, officers, and employees of the Company. The allocated shares were granted on December 23, 2014 and shall be issued from treasury on a quarterly basis in four equal installments beginning on January 23, 2015, provided the person remains contracted to the Company at the date the shares are issued. During the six months ended June 30, 2015, $67,816 was recognized as share-based compensation in the condensed interim consolidated statement of operations from the vesting of the allocated shares (six months ended June 30, 2014 – $nil). On July 23, 2015, 41,752 Newmarket Gold common shares (170,000 common shares on a pre-Arrangement basis) were issued in accordance with the shares allocated for issuance under the share compensation plan of the Company.

Employee share option plan

The Company has an ownership-based compensation scheme, administered by the Board of Directors of the Company, for directors, officers, employees and consultants. The plan provides for the issuance of share options to acquire up to 10% of the Company's issued and outstanding capital. The number of shares reserved for issuance pursuant to the grant of share options will increase as the Company's issued and outstanding share capital increases. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, directors, officers, employees and consultants of the Company may be granted options to purchase common shares at an exercise price determined by the Board of Directors, but which shall not be lower than the market price of the underlying common shares at the time of grant.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

No share options were granted during the six months ended June 30, 2015. During the six months ended June 30, 2014, 1,500,000 share options were granted to an officer of the Company at an exercise price of C$0.13. These options had a grant date estimated fair value of $96,257. These options vest over a two year period, on a quarterly basis, in equal installments of 187,500 starting January 13, 2014.

During the six months ended June 30, 2015, $174,330 was recorded as share-based compensation in the condensed interim consolidated statement of operations from the vesting of share options (six months ended June 30, 2014 – $135,043).

The following share-based payment arrangements were in existence as at June 30, 2015:

Weighted average exercise price (C$)	Grant date	Number outstanding	Number exercisable	Estimated fair value at grant date	Expiry date
$ 0.10	July 31, 2013	3,000,000	1,000,000	$ 132,009	July 31, 2018
0.10	September 25, 2013	3,650,000	3,650,000	148,696	September 25, 2018
0.13	January 13, 2014	1,500,000	1,125,000	96,257	January 13, 2019
0.13	December 23, 2014	6,595,000	3,615,000	408,289	December 23, 2019
0.38	July 9, 2012	300,000	300,000	34,724	July 9, 2017
0.54	March 30, 2012	1,040,000	1,040,000	204,232	March 30, 2017
0.90	April 12, 2011	90,000	90,000	41,928	April 12, 2016
0.99	June 6, 2011	695,000	695,000	250,513	June 6, 2016
1.09	September 8, 2010	250,000	250,000	197,163	September 8, 2015
1.15	August 26, 2010	80,000	80,000	65,236	August 26, 2015
1.43	November 23, 2010	570,000	570,000	385,013	November 23, 2015
$ 0.24		17,770,000	12,415,000	$ 1,964,060	

The share options outstanding at the end of the period had a weighted average exercise price of C$0.24 (June 30, 2014 – C$0.60) and a weighted average remaining contractual life of 3.34 years (June 30, 2014 – 2.68 years).

14. SHARE-BASED PAYMENTS (continued)

Employee share option plan (continued)

The number of options and the exercise price of the options outstanding at June 30, 2015 are disclosed on a pre-Arrangement basis. Upon closing of the Arrangement, the Crocodile Gold options are exercisable for 0.2456 Newmarket Gold common shares, reflecting the number of Newmarket Gold common shares a holder would have received if they were the holder of that number of Crocodile Gold common shares at the time of the Arrangement (note 2). The effective weighted average exercise price of the stock options outstanding at June 30, 2015 is C$0.98.

Fair value of share options granted

The weighted average fair value of the share options granted during the six months ended June 30, 2014 was C$0.07. Options are priced using the Black-Scholes option-pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. Expected volatility is based on the historical share price volatility over the past three years of the Company and the industry in which it operates.

The fair value of options granted during the six months ended June 30, 2014 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2014
Grant share price	C$0.13
Exercise price	C$0.13
Expected volatility	83%
Expected life	3 years
Expected dividend yield	0%
Expected forfeiture rate	5%
Risk-free interest rate	1.10%
Weighted average grant date fair value	C$0.07

The following reconciles the share options outstanding during the period:

	Number of options	Weighted average exercise price (C$)
Balance as at December 31, 2013	24,570,000	$ 0.62
Granted	8,095,000	0.13
Exercised	(206,250)	0.10
Expired	(1,575,000)	1.30
Forfeited	(7,923,750)	0.68
Balance as at December 31, 2014	22,960,000	$ 0.39
Exercised	(850,000)	0.10
Expired	(3,950,000)	1.02
Forfeited	(390,000)	1.11
Balance as at June 30, 2015	**17,770,000**	**$ 0.24**

Phantom share units

Each phantom share unit ("PSU") entitles the holder to a cash payment on exercise based on the market value of the Company's stock on the date of exercise less the strike price of the PSU. PSUs are recorded at their fair market value on the date of grant based on the quoted market price of the Company's stock and are revalued at each reporting date based on the difference between the quoted market price of the stock at the end of the period and the strike price. The fair value is recognized as a share based payment expense in the consolidated statement of operations with a corresponding entry in accrued liabilities.

14. SHARE-BASED PAYMENTS (continued)

Phantom share units (continued)

No PSUs were granted during the six months ended June 30, 2015 (six months ended June 30, 2014 – nil). A total of 160,000 PSUs were forfeited during the six months ended June 30, 2015 (six months ended June 30, 2014 – 175,000). The total amount of granted PSUs outstanding as at June 30, 2015 is 1,595,000. As at June 30, 2015, 1,395,000 of the PSUs were vested with an estimated fair value of $16,012.

15. LONG-TERM DEBT

		June 30, 2015		December 31, 2014
Capital lease obligations (note 16)	**$**	**1,885,564**	$	2,765,501
Convertible unsecured debentures (note 17)		**24,221,250**		25,536,196
Other borrowings		**485,293**		789,940
	$	**26,592,107**	$	29,091,637
Current portion				
Capital lease obligations	**$**	**990,521**	$	1,329,932
Convertible unsecured debentures		**2,067,893**		2,228,469
Other borrowings		**101,548**		328,670
	$	**3,159,962**	$	3,887,071
Non-current portion				
Capital lease obligations	**$**	**895,043**	$	1,435,569
Convertible unsecured debentures		**22,153,357**		23,307,727
Other borrowings		**383,745**		461,270
	$	**23,432,145**	$	25,204,566

16. CAPITAL LEASING OBLIGATIONS

The Company has financed the acquisition of certain equipment through the assumption of capital lease obligations. These obligations are secured by the acquired equipment, which has a net book value of $1,533,136 as at June 30, 2015. The loans bear interest at rates ranging between 4.40% and 7.29% per annum with maturity dates between August 26, 2015 and November 30, 2017. Interest expense related to the equipment loans of $92,632 has been charged to the condensed interim consolidated statement of operations in the six months ended June 30, 2015 (six months ended June 30, 2014 – $127,315).

Loan liabilities:

		June 30, 2015		December 31, 2014
2015	**$**	**556,874**	$	1,464,654
2016		**1,043,333**		1,079,624
2017		**404,572**		424,723
Total minimum loan payments		**2,004,779**		2,969,001
Less: Future finance charges		**(119,215)**		(203,500)
Present value of minimum loan payments		**1,885,564**		2,765,501
Not later than one year		**(990,521)**		(1,329,932)
Later than one year	**$**	**895,043**	$	1,435,569

The fair value of the loan liability is approximately equal to its carrying amount.

17. CONVERTIBLE UNSECURED DEBENTURES

On April 5, 2013, the Company issued C$34,500,000 of 8% convertible unsecured debentures (the "Debentures") for net proceeds of $31,031,072 after accounting for transaction costs of $2,913,478. The Debentures mature on April 30, 2018 and unless converted or redeemed earlier, interest of C$1,380,000 is payable semi-annually on April 30 and October 31. As the result of the Arrangement (note 2), each Debenture is convertible at the holder's option into common shares at any time prior to maturity at a conversion price of C$1.02 (equivalent to a pre-Arrangement conversion price of C$0.25). The Debentures may be redeemed by the Company in whole or in part from time to time, provided that the volume weighted average trading price of the common shares on the Toronto Stock Exchange (the "TSX") for the 20 consecutive trading days ending on the fifth trading day preceding the day prior to the date upon which the notice of redemption is given is at least 150% of the conversion price.

The debentures were recorded in the consolidated statement of financial position at the net present value of future payments using a discount rate of 12%. After discounting the liability to its estimated fair value and deducting the transaction costs, the liability and equity portion of the convertible debentures were C$27,203,596 and C$4,332,912, respectively. The liability portion will be accreted to its face value using the effective interest rate method at 13.67%. For the six months ended June 30, 2015, accretion of $1,634,196 was recorded as finance costs in the condensed interim consolidated statement of operations (six months ended June 30, 2014 - $1,765,841). On May 15, 2015, C$9,000 of the convertible debentures was converted into 36,000 common shares of the Company.

18. PROVISIONS

		June 30, 2015		December 31, 2014
Decommissioning, rehabilitation and similar liabilities	**$**	**31,711,607**	$	35,678,384
Long service leave		**7,060,817**		6,828,555
Total provisions		**38,772,424**		42,506,939
Current provisions		**(7,149,339)**		(6,951,471)
Non-current provisions	**$**	**31,623,085**	$	35,555,468

(a) Decommissioning, rehabilitation and similar liabilities

The Company provides for the estimated future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of estimated future rehabilitation costs, which are expected to be incurred up to 2032. The estimated undiscounted cash flows used to estimate the liability are $30,664,623. These provisions are based on the Company's internal estimates, with consideration to closure plans and bonding requirements established with relevant regulatory bodies. Assumptions, including an inflation rate of 3.0% and a discount rate of 2.07%, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices and costs of production, which are inherently uncertain.

Movements in carrying amounts:

		June 30, 2015		December 31, 2014
Balance, beginning of the period	**$**	**35,678,384**	$	36,203,277
(Decrease) increase in provisions recognized		**(1,758,251)**		3,311,971
Site closure and reclamation costs paid		**(488,326)**		(1,656,432)
Unwinding of discount on rehabilitation provision		**354,776**		1,139,188
Effect of foreign exchange		**(2,074,976)**		(3,319,620)
Balance, end of the period		**31,711,607**		35,678,384
Current portion of rehabilitation provision		**(2,128,095)**		(2,207,982)
Non-current portion of rehabilitation provision	**$**	**29,583,512**	$	33,470,402

18. PROVISIONS (continued)

(a) Decommissioning, rehabilitation and similar liabilities (continued)

During the six months ended June 30, 2015, $1,421,535 was included as a recovery in care and maintenance in the condensed interim consolidated statement of operations from the decrease in provisions recognized on the rehabilitation of non-core assets (six months ended June 30, 2014 – $nil).

(b) Long service leave

Long service leave is an Australian employee entitlement which accrues based on an employee's length of service to a company. The provision is estimated based on the total current service of the Company's employees and future expected service and earnings. As at June 30, 2015, the total accrued long service leave was $7,060,817, of which $5,021,244 was classified as a current liability in the condensed interim consolidated statement of financial position ($6,828,555 and $4,743,489 as at December 31, 2014, respectively).

19. CONTINGENT PAYMENTS

As part of the acquisition of the Fosterville and Stawell Gold Mines from AuRico Gold Inc. ("AuRico"), the Company entered into a net free cash flow sharing arrangement, which resulted in contingent payments on the following terms:

(i) Crocodile Gold shall be entitled to retain the first C$60 million;
(ii) AuRico shall be entitled to the next C$30 million;
(iii) Crocodile Gold and AuRico shall share the next C$30 million on a 50/50 basis; and
(iv) thereafter, Crocodile Gold and AuRico shall share on an 80/20 basis.

The Company made its first payment of C$2,693,327 ($2,464,394) under the net free cash flow sharing arrangement in June 2014. On January 14, 2015, the Company completed an agreement with AuRico to terminate the net free cash flow sharing arrangement in exchange for a one-time payment of C$20,000,000 ($16,744,000) and the granting of a 2% net smelter return royalty over the Fosterville Gold Mine commencing on that date, and a 1% net smelter return royalty over Stawell Gold Mines commencing January 1, 2016. Consequently the contingent payment liability in the consolidated statement of financial position as at December 31, 2014 was fully extinguished on January 14, 2015.

At December 31, 2014, the total contingent payment liability was revalued to reflect the valuation implied by the terms of the termination agreement between the two parties. The loss on the revaluation of the liability of $9,660,424 was recorded in other (losses) gains in the consolidated statement of operations. Accretion of the discount on the contingent payment liability of $2,768,483 was included in finance costs in the consolidated statement of operations for the year ended December 31, 2014.

Movements in carrying amounts of contingent consideration during the periods ended June 30, 2015 and December 31, 2014 were as follows:

		June 30, 2015		December 31, 2014
Balance, beginning of the period	**$**	**30,170,000**	$	22,323,169
Payments		**(16,744,000)**		(2,464,394)
Value of royalty granted		**(12,558,037)**		-
Accretion of discount		**-**		2,768,483
Loss on change in fair value through profit or loss		**-**		9,660,424
Effect of foreign exchange		**(867,963)**		(2,117,682)
Balance, end of the period		**-**		30,170,000
Current portion		**-**		(8,732,922)
Non-current portion	**$**	**-**	$	21,437,078

20. SUPPLEMENTAL CASH FLOW INFORMATION

As at June 30, 2015, the Company's cash and cash equivalents balance of $38,613,138 (December 31, 2014 – $33,775,417) was held in full at major Canadian and Australian banks in deposit accounts. The Company also held gold bullion with a fair market value of $234,200 (December 31, 2014 – $3,316,500) in a metals account at the Perth Mint in Perth, Australia.

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	**June 30, 2015**	June 30, 2014
Working capital adjustments				
Change in gold bullion	**$ (145,099)**	$ -	**$ 2,203,629**	$ -
Change in receivables	**(355,390)**	(46,397)	**114,204**	144,783
Change in inventories	**(1,015,971)**	(282,986)	**(2,315,953)**	2,645,140
Change in prepaid expenses	**769,924**	818,561	**1,276,543**	541,292
Change in accounts payable and accrued liabilities	**3,523,330**	2,035,531	**180,632**	(3,632,726)
Change in provisions	**326,872**	314,829	**641,997**	699,349
Payments against rehabilitation liabilities	**(233,125)**	(241,180)	**(488,326)**	(322,584)
	$ 2,870,541	$ 2,598,358	**$ 1,612,726**	$ 75,254
Non-cash transaction				
Property, plant and equipment acquired through capital lease	**$ 24,658**	$ 1,750,274	**$ 47,517**	$ 3,236,962
Insurance premiums financed by loan	**-**	-	**-**	2,868,142
Other information				
Interest paid (including any related withholding taxes)	**$ 42,410**	$ 99,306	**$ 201,497**	$ 179,557

21. RELATED PARTY DISCLOSURES

Compensation of key management of the Company

The remuneration of directors and key executives is determined by the compensation committee of the Board of Directors. The directors' fees, consulting fees and other compensation of directors and key management personnel were as follows during the six months ended:

	June 30, 2015	June 30, 2014
Short-term compensation and benefits	**$ 768,158**	$ 505,597
Share-based payments	**205,714**	134,599
	$ 973,872	$ 640,196

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company. The amounts above have been included in professional, consulting and management fees in the condensed interim consolidated statement of operations.

In connection with the closing of the Arrangement (note 2), continuation bonuses of C$665,000 were paid to key management of the Company subsequent to June 30, 2015.

Management contracts

The Company is party to certain management contracts. As at June 30, 2015, these contracts require that additional payments of approximately $903,000 be made upon the occurrence of a change of control. The terms of the Arrangement (note 2) did not constitute a change of control; however, continuation bonuses were paid to key management of the Company as discussed above. As the Arrangement had not closed as at June 30, 2015, the continuation bonuses have not been reflected in these condensed interim consolidated financial statements.

21. RELATED PARTY DISCLOSURES (continued)

Management contracts (continued)

As at June 30, 2015, minimum commitments upon termination of the existing contracts were approximately $179,000 and minimum commitments due within one year under the terms of these contracts are $504,000.

As a result of the Arrangement, the Company entered into a series of new management contracts. These contracts require payments of $1,943,000 be made upon the occurrence of a change of control. The minimum commitment upon termination of these contracts was approximately $1,757,000 and minimum commitments due within a year under the terms of these contracts are $1,553,000.

Investment in JDS Silver

On September 25, 2014, the Company acquired a 19.9% interest in JDS Silver from a private company controlled by the Company's former majority shareholder Luxor for consideration of C$5,643,398. The Company subscribed for 357,143 additional common shares of JDS Silver on March 3, 2015 for consideration of C$500,000.

Other related party disclosure

The Company's former majority shareholder Luxor subscribed for an aggregate of C$5,000,000 units as part of the February 27, 2014 private placement.

22. COMMITMENTS AND CONTINGENCIES

(a) Material contracts

The Company has engaged an independent contractor to provide mining and development services at its Cosmo Gold Mine in the Northern Territory, Australia. The mining contract was executed in March 2014 and carries a two year term with an option for a 12 month extension. The Company may terminate the contract with not less than 30 days' notice, in which case the Company would be liable for a termination payment equal to one-quarter times the previous month's invoice plus any outstanding amounts owing for works completed prior to termination.

The Company has entered into a contract for power in the Northern Territory with the government-regulated power provider in the Northern Territory for the 2015 calendar year. Under the contract the Company is obligated to purchase a minimum annual quantity of electricity regardless of actual consumption. As no such scenario had occurred at June 30, 2015 nor is it likely that such a scenario would eventuate in 2015, no amount has been accrued in the condensed interim consolidated financial statements.

The Company has also entered into a contract for power in the State of Victoria with an independent supplier which provides for electricity for the Fosterville Gold Mine through to December 31, 2016 and Stawell Gold Mines through to December 31, 2015. Under the contract the Company is obligated to purchase a minimum annual quantity of electricity regardless of actual consumption. As no such scenario had occurred at June 30, 2015 nor is it likely that such a scenario would eventuate in 2015, no amount has been accrued in the condensed interim consolidated financial statements.

(b) Environmental bonds

As at June 30, 2015, the Company had provided performance guarantees totaling $18,715,859 to the Northern Territory and Victorian governments relating to the future reclamation and rehabilitation of the Company's mine sites and exploration tenements. The guarantees are secured by cash deposits held with a major Australian bank and are included in restricted cash.

(c) Northern Territory profits royalty/tax

All of the Company's tenements within the Northern Territory are subject to a Northern Territory Government profits royalty/tax. The current tax rate is 20% of the net value of mine production, where the net value equals the gross realization from the relevant production unit less the operating costs of the production unit for the year, a capital allowance on eligible capital assets expenditure, eligible exploration expenditure and additional deductions as approved by the relevant Northern Territory Government Minister.

22. COMMITMENTS AND CONTINGENCIES (continued)

(d) Contingent contractual royalty obligations

As at June 30, 2015, the Company has the following contingent contractual obligations with respect to royalties:

- 2% net smelter return royalty from the Fosterville Gold Mine.
- 1% net smelter return royalty from Stawell Gold Mines, effective January 1, 2016.
- A$2 per ounce royalty payable on gold produced from the Stawell Gold Mines mining license.
- 1% ad valorem royalty on any future gold production above 250,000 ounces derived from the Maud Creek Gold Project.
- A$4 vendor royalty per ounce of gold produced from the Pine Creek tenements.

The Company also has royalties payable to various vendors of tenements located outside the currently anticipated mining areas.

With respect to the Maud Creek Gold Project, the Company also has a contingent contractual obligation of a payment of A$2,000,000 that would be due upon a decision to proceed with development of the Maud Creek Gold Project. In addition to the production royalty described above, a further 1% gross royalty and A$5 per ounce royalty are payable on any future gold production from certain tenements from the Maud Creek Gold Project that are located south of the main Maud Creek gold deposit.

The Fosterville Gold Mine is subject to a license fee which enables it to use the patented BIOX process to treat refractory ore from the underground mine. The fee is paid at a rate of A$1.40/ounce of gold produced and treated through the BIOX Plant and terminates when 1,500,000 ounces of gold in aggregate has been treated in the plant. As at June 30, 2015, approximately 930,200 ounces of gold had been treated in the plant.

23. SUBSEQUENT EVENTS

Immediately prior to the closing of the Arrangement on July 10, 2015 (note 2), the proceeds of Newmarket's previously completed C$25,000,000 subscription receipt financing were released from escrow and the underlying Newmarket common shares were issued. As disclosed in note 2, C$20,000,000 of the proceeds were used to fund the cash consideration available for Crocodile Gold shareholders as part of the Arrangement. As part of the private placement, the underwriters received 992,000 broker warrants, each entitling the holder to acquire one Newmarket Gold common share for a period of 18 months following the closing of the Arrangement at a price of C$1.25.

On July 6, 2015, the shareholders of Crocodile Gold and Newmarket approved a new incentive stock option plan and a new share unit plan for Newmarket Gold. Subsequent to the closing of the Arrangement on July 10, 2015, Newmarket Gold granted 8,170,000 options and 4,118,000 share units to directors, officers, advisors, and consultants of Newmarket Gold. The options granted have an exercise price of C$1.50 and expire five years from the date of grant. The share units granted have an expiry of three years from the date of grant and will vest based on the 20-day volume weighted average price on the TSX of the Newmarket Gold shares: (i) as to one-third when the price of the Newmarket Gold shares is C$2.25 or greater; (ii) as to one-third when the price of the Newmarket Gold shares is C$3.00 or greater; and (iii) as to one-third when the price of the Newmarket Gold shares is C$3.75 or greater.

In connection with the completion of the Arrangement, the Company entered into a series of new management contracts. The commitments arising from these contracts are detailed in note 21.

In addition, as part of the Arrangement the Company assumed an office lease for 200 Burrard Street, Suite 1680, Vancouver, British Columbia, which has become the Company's head office. The lease began in June 2015 with a seven year term expiring in August 2022, with total future minimum undiscounted payments of approximately $1,620,000.