Newmarket Gold

(formerly Crocodile Gold Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2015 and 2014

(Unaudited - Stated in United States Dollars)

NEWMARKET GOLD INC. (formerly Crocodile Gold Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Income
(Unaudited - Stated in thousands of United States Dollars, except per share amounts)

	Notes	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Revenue	4	**$ 60,664**	$ 73,337	**$ 199,605**	$ 212,956
Cost of operations					
Operating expenses		**(38,278)**	(50,796)	**(116,482)**	(155,751)
Royalty expense		**(788)**	(52)	**(2,206)**	(143)
Depletion and depreciation		**(9,016)**	(9,906)	**(29,055)**	(29,053)
Total cost of operations	4	**(48,082)**	(60,754)	**(147,743)**	(184,947)
Mine operating income		**12,582**	12,583	**51,862**	28,009
Expenses					
Impairment charge	10	**(472)**	-	**(472)**	-
Exploration and evaluation		**(3,771)**	(654)	**(7,206)**	(1,971)
Care and maintenance	15	**65**	(157)	**1,249**	(1,396)
General and administrative		**(1,736)**	(1,028)	**(3,647)**	(3,190)
Share-based compensation	13	**(809)**	(40)	**(1,051)**	(175)
Transaction costs	2	**(15,146)**	-	**(16,653)**	-
Other gains (losses)	5	**65**	998	**(2,738)**	(4,141)
Total expenses		**(21,804)**	(881)	**(30,518)**	(10,873)
(Loss) income before finance items and income taxes		**(9,222)**	11,702	**21,344**	17,136
Finance income		**152**	267	**770**	804
Finance costs	6	**(1,001)**	(1,999)	**(3,191)**	(6,071)
(Loss) income before tax		**(10,071)**	9,970	**18,923**	11,869
Deferred tax expense		**(254)**	(1,387)	**(1,473)**	(2,677)
Net (loss) income		**$ (10,325)**	$ 8,583	**$ 17,450**	$ 9,192
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit and loss:					
Unrealized gain (loss) on available for sale securities		**149**	(313)	**45**	(552)
Exchange differences on translating foreign operations		**(12,553)**	(10,631)	**(19,765)**	(1,631)
Reclassification adjustment for impairment loss included in net (loss) income	12	**-**	-	**1,700**	-
Comprehensive (loss) income		**$ (22,729)**	$ (2,361)	**$ (570)**	$ 7,009
(Loss) income per share - basic and diluted		**$ (0.08)**	$ 0.07	**$ 0.14**	$ 0.08
Weighted average number of shares outstanding					
- basic (number)		**133,225,063**	116,809,750	**122,358,989**	113,259,657
- diluted (number)		**133,225,063**	118,092,372	**123,500,529**	114,497,512

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
(Unaudited - Stated in thousands of United States Dollars)

As at:	Notes	September 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 37,204**	$ 33,775
Gold bullion (market value - $Nil; December 31, 2014 - $3,317)	7	**-**	2,442
Restricted cash	19	**63**	134
Receivables		**2,048**	2,309
Inventories	8	**19,920**	20,518
Prepaid expenses and other current assets		**2,013**	3,573
Total current assets		**61,248**	62,751
Non-current assets			
Restricted cash	19	**17,159**	19,875
Financial deposits	9	**-**	2,285
Mine properties	10	**97,251**	109,399
Property, plant and equipment	11	**43,995**	48,396
Investments	12	**4,797**	5,632
Deferred tax assets		**5,373**	7,792
Total assets		**$ 229,823**	$ 256,130
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**$ 26,398**	$ 30,581
Current portion of long-term debt	14	**2,974**	3,887
Provisions	15	**9,238**	6,951
Contingent payments	16	**-**	8,733
Total current liabilities		**38,610**	50,152
Non-current liabilities			
Long-term debt	14	**22,380**	25,205
Provisions	15	**29,115**	35,555
Contingent payments	16	**-**	21,437
Total liabilities		**90,105**	132,349
SHAREHOLDERS' EQUITY			
Issued capital	13	**326,831**	311,694
Warrants reserves	13	**11,009**	10,608
Equity reserves	13	**22,813**	21,844
Accumulated other comprehensive loss		**(51,061)**	(33,041)
Retained deficit		**(169,874)**	(187,324)
Total shareholders' equity		**139,718**	123,781
Total liabilities and shareholders' equity		**$ 229,823**	$ 256,130

Commitments and contingencies (Note 19)

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 4, 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
(Unaudited - Stated in thousands of United States Dollars)

	Notes	Three months ended September 30, 2015	2014	Nine months ended September 30, 2015	2014
Cash provided by operations:					
Net (loss) income		**$ (10,325)**	$ 8,583	**$ 17,450**	$ 9,192
Items not involving cash:					
Share-based payments		**809**	40	**1,051**	175
Depletion and depreciation		**9,016**	9,906	**29,055**	29,053
Unwinding discount on rehabilitation provision		**170**	281	**525**	881
Non-cash care and maintenance	15	**(150)**	-	**(1,572)**	-
Non-cash transaction costs		**13,397**	-	**13,397**	-
(Gain) loss on disposal of property, plant and equipment		**(7)**	53	**565**	(55)
Impairment charge	10	**472**	-	**472**	-
Non-cash accretion expense		**797**	1,617	**2,431**	4,910
Write-down of exploration properties		**50**	-	**120**	-
Unrealized currency translation		**(33)**	-	**(23)**	-
Loss on revaluation of investments	12	**-**	-	**2,452**	-
Write-down of financial deposits	9	**-**	-	**-**	989
(Gain) loss on change in contingent liability	16	**-**	(990)	**-**	3,623
Deferred tax expense		**254**	1,387	**1,473**	2,677
Working capital adjustments	17	**(3,105)**	(2,645)	**(1,493)**	(2,569)
Net cash provided by operating activities		**11,345**	18,232	**65,903**	48,876
Investing activities					
Expenditure on mine development	4	**(10,183)**	(16,092)	**(34,121)**	(45,851)
Expenditure on property, plant and equipment	4	**(3,611)**	(1,553)	**(10,291)**	(5,605)
Cash and restricted cash received on acquisition	2	**19,512**	-	**19,512**	-
Proceeds on dispositions of assets		**12**	1	**66**	111
Termination of contingent liability	16	**-**	-	**(16,744)**	-
Payment of contingent liability	16	**-**	-	**-**	(2,464)
Payment for investment	12	**-**	(5,081)	**(604)**	(5,361)
Receipt of financial deposits	9	**-**	-	**2,192**	-
(Increase) decrease in restricted cash		**(12)**	9	**33**	2,975
Net cash provided by (used in) investing activities		**5,718**	(22,716)	**(39,957)**	(56,195)
Financing activities					
Repayment of convertible debentures		**-**	-	**(1,147)**	(1,259)
Proceeds from the issue of shares/units	13	**-**	-	**-**	16,164
Cost of issue	13	**-**	-	**-**	(669)
Repayment of credit facility		**-**	-	**-**	(4,962)
Share repurchase	2	**(15,774)**	-	**(15,774)**	-
Exercise of share options	13	**562**	-	**631**	-
Exercise of warrants	13	**19**	-	**19**	-
Loan proceeds		**-**	1,526	**-**	4,394
Repayment of capital lease obligations		**(250)**	(696)	**(1,028)**	(2,926)
Repayment of other borrowings		**(24)**	(1,010)	**(289)**	(2,951)
Net cash (used in) provided by financing activities		**(15,467)**	(180)	**(17,588)**	7,791
Effect of exchange rate changes on cash		**(3,005)**	(2,038)	**(4,929)**	(566)
Change in cash and cash equivalents		**(1,409)**	(6,702)	**3,428**	(94)
Cash and cash equivalents, beginning of period		**38,613**	34,199	**33,775**	27,591
Cash and cash equivalents, end of period		**$ 37,204**	$ 27,497	**$ 37,204**	$ 27,497

Supplementary cash flow information – Note 17

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
(Unaudited - Stated in thousands of United States Dollars, except share information)

	Number of Shares	Share capital	Common shares to be issued	Purchase warrants	Equity reserves	Accumulated other comprehensive loss	Retained deficit	Total
Balance at December 31, 2013	99,806,673	$ 297,407	$ -	$ 9,366	$ 21,493	$ (21,269)	$ (207,276)	$ 99,721
Issuance of units, net of issue costs	17,003,077	14,252	-	1,242	-	-	-	15,494
Share based payments	-	-	-	-	175	-	-	175
Other comprehensive income		-	-	-	-	(2,183)	-	(2,183)
Net income	-	-	-	-	-	-	9,192	9,192
Balance at September 30, 2014	**116,809,750**	**$ 311,659**	**$ -**	**$ 10,608**	**$ 21,668**	**$ (23,452)**	**$ (198,084)**	**$ 122,399**
Balance at December 31, 2014	116,860,295	$ 311,685	$ 9	$ 10,608	$ 21,844	$ (33,041)	$ (187,324)	$ 123,781
Exercise of share options	1,817,440	631	-	-	-	-	-	631
Valuation on exercise of share options	-	295	-	-	(295)	-	-	-
Exercise of share warrants	-	-	19	-	-	-	-	19
Valuation on exercise of share warrants	-	-	6	(6)	-	-	-	-
Issuance on acquisition of Newmarket	30,318,075	29,890	-	-	-	-	-	29,890
Share repurchase	(13,275,676)	(15,774)	-	-	-	-	-	(15,774)
Share options assumed on amalgamation	-	-	-	-	276	-	-	276
Share warrants assumed on amalgamation	-	-	-	407	-	-	-	407
Share based payments	142,448	61	2	-	988	-	-	1,051
Conversion of convertible debentures	8,842	7	-	-	-	-	-	7
Other comprehensive loss	-	-	-	-	-	(18,020)	-	(18,020)
Net income	-	-	-	-	-	-	17,450	17,450
Balance at September 30, 2015	**135,871,424**	**$ 326,795**	**$ 36**	**$ 11,009**	**$ 22,813**	**$ (51,061)**	**$ (169,874)**	**$ 139,718**

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

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Newmarket Gold Inc. (formerly Crocodile Gold Corp.) (individually, or collectively with its subsidiaries, as applicable, "Newmarket Gold", "Crocodile Gold" or the "Company") is a gold mining and exploration company with three producing mines in Australia: the Fosterville and Stawell Gold Mine in the State of Victoria and the Cosmo Gold Mine in the Northern Territory. 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. In addition, as a result of the amalgamation with Newmarket Gold Inc., described below, the Company also owns title to a mining lease located in north-central Newfoundland, Canada.

Newmarket Gold 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 and registered address is 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2.

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Since the condensed interim consolidated financial statements do not include all disclosure required by IFRS for annual financial statements, they should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The significant accounting judgements, estimates and assumptions in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 4 of the Company's audited consolidated financial statements as at and for the year ended December 31, 2014.

These condensed interim consolidated financial statements were approved by the Company's Board of Directors on November 4, 2015.

2. ARRANGEMENT WITH NEWMARKET GOLD INC.

On July 10, 2015, Crocodile Gold Corp. completed a 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 amalgamated company continued under the name Newmarket Gold Inc. 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.

The cash consideration was funded from a private placement of subscription receipts for gross proceeds of C$25,000 completed by Newmarket as a condition to the Arrangement. The remaining proceeds were available for working capital purposes. As part of the financing, 992,000 broker warrants were issued entitling the holder to acquire one Newmarket Gold common share at an exercise price of C$1.25 with an expiration date of January 10, 2017.

Upon closing of the Arrangement, Newmarket Gold had 134,220,992 common shares issued and outstanding, with the breakdown as shown in the table below (on an undiluted basis). Crocodile Gold's former majority shareholder Luxor Capital Group LP ("Luxor") now controls approximately 39% of Newmarket Gold on an issued and outstanding basis. As per the terms of the lock-up agreement entered into by Luxor, Luxor has agreed not to dispose of more than 20% of the securities of Newmarket Gold it owns for a period of 12 months from the completion of the Arrangement, expiring on July 10, 2016.

2. ARRANGEMENT WITH NEWMARKET GOLD INC. - *continued*

	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**

Upon closing of the Arrangement, the Crocodile Gold share purchase warrants, options, and phantom share units became 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.

In addition, the Company assumed the outstanding stock options and warrants of Newmarket, which are exercisable for 0.2 Newmarket Gold common shares. 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 14) are convertible into Newmarket Gold common shares with each C$1 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).

All issued and outstanding shares, warrants, options, phantom share units and per share amounts have been retrospectively applied for all periods presented in these condensed interim consolidated financial statements to reflect the completion of the Arrangement.

For accounting purposes, the Arrangement constitutes an asset acquisition by Crocodile Gold, as Newmarket did not meet the definition of a business as defined in IFRS 3 *Business Combinations*. As such, effective as at the date of closing, Newmarket's net assets were consolidated based on their cost, which approximates fair value. The fair value assigned to the identified assets and liabilities are presented below.

Purchase price	
Common shares issued	$ 29,890
Legal, regulatory, due diligence costs and other cash costs	3,256
Options and warrants assumed on Arrangement	683
	33,829
Net assets acquired and allocation	
Assets	
Cash	3,738
Restricted cash	15,774
Receivables and prepaid expenses	240
Mine properties	566
Liabilities	
Accounts payable and accrued liabilities	(3,142)
Net assets	17,176
Transaction cost expense	16,653
	$ 33,829

2. ARRANGEMENT WITH NEWMARKET GOLD INC. - *continued*

Transaction costs of $16,653 (of which $13,397 are non-cash costs) associated with the acquisition were expensed in the condensed interim consolidated statement of operations for the nine months ended September 30, 2015.

3. 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 International Accounting Standards Board ("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.

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.

4. OPERATING SEGMENTS

Revenue and cost of operations by operating segment for the three months ended September 30, 2015 and 2014 were as follows:

	Fosterville		Northern Territory		Stawell		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Revenue								
Gold	$ 36,120	$ 35,349	$ 14,927	$ 24,541	$ 9,397	$ 12,965	$ 60,444	$ 72,855
Silver	15	7	37	60	28	35	80	102
Other	-	-	-	-	140	380	140	380
	36,135	35,356	14,964	24,601	9,565	13,380	60,664	73,337
Cost of operations								
Operating expense	(15,016)	(19,420)	(14,070)	(19,260)	(9,192)	(12,116)	(38,278)	(50,796)
Royalty expense	(774)	(36)	-	-	(14)	(16)	(788)	(52)
Depletion and depreciation	(6,714)	(8,108)	(1,975)	(1,641)	(327)	(157)	(9,016)	(9,906)
	(22,504)	(27,564)	(16,045)	(20,901)	(9,533)	(12,289)	(48,082)	(60,754)
Mine operating income (loss)	**$ 13,631**	**$ 7,792**	**$ (1,081)**	**$ 3,700**	**$ 32**	**$ 1,091**	**$ 12,582**	**$ 12,583**

Capital expenditures by operating segment for the three months ended September 30, 2015 and 2014 were as follows:

	Fosterville		Northern Territory		Stawell		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Mine development	$ 7,460	$ 10,846	$ 2,675	$ 4,453	$ 48	$ 793	$ 10,183	$ 16,092
Property, plant and equipment	2,432	857	688	562	491	134	3,611	1,553
Total capital expenditures	**$ 9,892**	**$ 11,703**	**$ 3,363**	**$ 5,015**	**$ 539**	**$ 927**	**$ 13,794**	**$ 17,645**

Revenue and cost of operations by operating segment for the nine months ended September 30, 2015 and 2014 were as follows:

	Fosterville		Northern Territory		Stawell		Total	
	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014
Revenue								
Gold	$ 107,266	$ 96,144	$ 59,052	$ 77,695	$ 32,743	$ 38,237	$ 199,061	$ 212,076
Silver	38	26	129	143	82	104	249	273
Other	-	-	-	-	295	607	295	607
	107,304	96,170	59,181	77,838	33,120	38,948	199,605	212,956
Cost of operations								
Operating expense	(46,090)	(58,377)	(44,056)	(62,433)	(26,336)	(34,941)	(116,482)	(155,751)
Royalty expense	(2,162)	(93)	-	-	(44)	(50)	(2,206)	(143)
Depletion and depreciation	(20,324)	(22,727)	(8,095)	(5,852)	(636)	(474)	(29,055)	(29,053)
	(68,576)	(81,197)	(52,151)	(68,285)	(27,016)	(35,465)	(147,743)	(184,947)
Mine operating income	**$ 38,728**	**$ 14,973**	**$ 7,030**	**$ 9,553**	**$ 6,104**	**$ 3,483**	**$ 51,862**	**$ 28,009**

Capital expenditures by operating segment for the nine months ended September 30, 2015 and 2014 were as follows:

	Fosterville		Northern Territory		Stawell		Total	
	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014	YTD 2015	YTD 2014
Mine development	$ 22,968	$ 29,746	$ 9,501	$ 13,170	$ 1,652	$ 2,935	$ 34,121	$ 45,851
Property, plant and equipment	7,469	3,699	1,708	1,446	1,114	460	10,291	5,605
Total capital expenditures	**$ 30,437**	**$ 33,445**	**$ 11,209**	**$ 14,616**	**$ 2,766**	**$ 3,395**	**$ 44,412**	**$ 51,456**

5. OTHER GAINS (LOSSES)

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Gain (loss) on disposal of property, plant and equipment	**$ 7**	$ (53)	**$ (565)**	$ 55
Other income	**35**	138	**225**	399
Loss on revaluation of investments (Note 12)	**-**	-	**(2,452)**	-
Gain (loss) on revaluation of contingent liability	**-**	990	**-**	(3,623)
Write-down of financial deposits	**-**	-	**-**	(989)
Net foreign exchange gain (loss)	**23**	(77)	**54**	17
	$ 65	$ 998	**$ (2,738)**	$ (4,141)

6. FINANCE COSTS

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Interest on capital leases and other loans	**$ 34**	$ 101	**$ 235**	$ 280
Accretion on discount of credit facility	**-**	-	**-**	121
Accretion on discount of contingent liability	**-**	700	**-**	2,106
Accretion on discount of convertible unsecured debentures (Note 14)	**797**	917	**2,431**	2,683
Unwinding of discount on rehabilitation provision (Note 15)	**170**	281	**525**	881
	$ 1,001	$ 1,999	**$ 3,191**	$ 6,071

7. GOLD BULLION

	September 30, 2015	December 31, 2014
Ounces held (oz)	**-**	2,750
Weighted average production cost ($/oz)	**-**	888
Production cost ($)	**-**	2,442
Spot price for gold, period end ($/oz)	**-**	1,206
Market value ($)	**-**	3,317

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

8. INVENTORIES

	September 30, 2015	December 31, 2014
Unshipped gold doré	**$ 102**	$ 9
Gold in circuit	**5,262**	4,714
Ore stockpiles	**4,184**	3,748
Supplies and consumables	**10,372**	12,047
	$ 19,920	$ 20,518

As at September 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 nine months ended September 30, 2015 was $174 (nine months ended September 30, 2014 - $23).

9. 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 ($1,818). 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 on November 3, 2009.

On September 26, 2013, the Company filed a Notice of Appeal in the Supreme Court of the Northern Territory to appeal the position taken by the TRO as the Company's position was that the amalgamation did not trigger any stamp duty liability.

Since receiving the initial notice in January 2010, the Company paid A$3,868 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. The payments were recorded as a financial deposit as 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 (A$1,072) 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, and the Company subsequently received payments totaling A$3,499 representing the related financial deposits, prescribed interest on the deposits, and the recovery of costs incurred as part of the appeal.

10. MINE PROPERTIES

	September 30, 2015	December 31, 2014
Fosterville Gold Mine	**$ 43,388**	$ 48,184
Northern Territory (including the Cosmo Gold Mine)	**45,938**	53,949
Stawell Gold Mine	**7,388**	7,266
Point Leamington Mining Lease	**537**	-
	$ 97,251	$ 109,399

The following schedule outlines the movements in carrying amounts for the mine properties for the nine months ended September 30, 2015 and for the year ended December 31, 2014:

	September 30, 2015	December 31, 2014
Opening balance	**$ 109,399**	$ 71,989
Acquisition of the Point Leamington Mining Lease	**566**	-
Additions	**34,121**	59,437
Depreciation	**(21,846)**	(23,523)
Value of royalty granted (Note 16)	**(12,558)**	-
Transfers	**-**	830
Change in rehabilitation provision	**2,608**	2,918
Disposals	**(120)**	(689)
Impairment (charge) reversal	**(472)**	8,359
Exchange adjustment	**(14,447)**	(9,922)
	$ 97,251	$ 109,399

For the nine months ended September 30, 2015, the Company concluded that no impairment charge or reversal was required on operating mine properties. As at September 30, 2015, the Company was in discussions with a third party with respect to the divestment of a non-core mine property in the Northern Territory. Based on the consideration contemplated in an agreement entered into subsequent to September 30, 2015, the Company has written down the carrying value of that property and has recognized an impairment charge of $472 in the condensed interim consolidated statement of operations during the nine months ended September 30, 2015.

10. MINE PROPERTIES - *continued*

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 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 Mine commencing January 1, 2016 (Note 16). 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 per ounce was used for 2015, A$1,525 per ounce for 2016, A$1,500 per ounce for 2017 and A$1,450 per ounce 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 $8,359 was recorded in the consolidated statement of operations.

11. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2015	December 31, 2014
Fosterville Gold Mine	**$ 17,009**	$ 16,593
Northern Territory (including the Cosmo Gold Mine)	**25,101**	30,512
Stawell Gold Mine	**1,885**	1,291
	$ 43,995	$ 48,396

11. PROPERTY, PLANT AND EQUIPMENT - *continued*

The following schedule outlines the movements in property, plant and equipment for the nine months ended September 30, 2015 and for the year ended December 31, 2014:

		September 30, 2015		December 31, 2014
Property, plant and equipment				
Opening balance	**$**	**43,819**	$	53,183
Additions		**10,291**		7,305
Transfers		**2,546**		(481)
Disposals		**(632)**		(94)
Depreciation expense		**(6,581)**		(12,075)
Exchange adjustment		**(6,424)**		(4,019)
	$	**43,019**	$	43,819
Property, plant and equipment under capital leases				
Opening balance	**$**	**4,577**	$	3,071
Additions		**48**		3,925
Transfers		**(2,546)**		-
Disposals		**-**		(451)
Depreciation expense		**(766)**		(1,527)
Exchange adjustment		**(337)**		(441)
	$	**976**	$	4,577
	$	**43,995**	$	48,396

12. INVESTMENTS

		September 30, 2015		December 31, 2014
JDS Silver Inc.	**$**	**4,225**	$	5,239
Primary Gold Limited		**182**		193
Navarre Minerals Limited		**390**		200
	$	**4,797**	$	5,632

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. 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 equity financing in which the Company did not participate. Based on the revaluation, the Company recorded $382 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 ($400). The subscription was part of a C$2,483 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 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 loss on the revaluation of the investment, which was included in other gains (losses) on the condensed interim consolidated statement of operations for the nine months ended September 30, 2015. Subsequent to the completion of the financing, the Company's investment represented a 17.1% interest in JDS Silver.

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 nine months ended September 30, 2015, the Company acquired 8,666,666 additional common shares of Navarre for total consideration of A$260 ($204).

12. INVESTMENTS - *continued*

During the nine months ended September 30, 2015, $45 was recorded as an unrealized loss in other comprehensive income (loss) (nine months ended September 30, 2014 – $552) on the revaluation of the investment in Navarre and Primary Gold based on their quoted market price as at September 30, 2015. In relation to the Company's investment in Primary Gold, $1,700 was reclassified from accumulated other comprehensive (loss) income and recorded as a loss on the revaluation of investments in other gains (losses) on the condensed interim consolidated statement of operations for the nine months ended September 30, 2015 (nine months ended September 30, 2014 – $Nil) as management has determined the decline in the quoted market price of Primary Gold to be prolonged in nature.

13. ISSUED CAPITAL

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

(a) Share capital and recent issuances

As at September 30, 2015, the Company had 135,871,424 common shares issued and outstanding. The authorized share capital consists of unlimited common shares without par value and unlimited preferred shares, issuable in series with special rights and restrictions attached.

On February 27, 2014, the Company closed an C$18,000 private placement whereby it issued 17,003,077 units at a price of C$1.06 per unit for net proceeds of $15,494 (C$17,350). 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$1.43 for a period of 12 months from closing and at a price of C$1.63 for an additional period of 12 months beginning on the date of the first anniversary of the closing of the placement. The issue date fair value of the warrants was estimated at $1,242, 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 units as part of the private placement.

(b) Shares to be issued

As at September 30, 2015, the Company had 43,479 shares to be issued.

At the annual and special meeting of the Crocodile Gold shareholders for the years ended December 31, 2013 and 2010, shareholders of Crocodile Gold approved the adoption of a share compensation plan pursuant to which the Board of Directors was authorized to issue up to 663,120 common shares to encourage the recruitment and retention of key persons. During the year ended December 31, 2014, the Company allocated 201,392 common shares out of a total of 202,007 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 issued from treasury on a quarterly basis in four equal installments beginning on January 23, 2015, provided the individual remains contracted to the Company at the date the shares are vested and released.

During the nine months ended September 30, 2015, a total of 142,448 (nine months ended September 30, 2014 – Nil) common shares have been vested and released under this plan and $63 has been recognized as share-based compensation in the condensed interim consolidated statement of operations from the vesting of the allocated shares (nine months ended September 30, 2014 – $Nil). On October 23, 2015, a total of 23,639 common shares were vested and released in accordance with this share compensation plan. The release in October 2015 is the final tranche provided for under this share compensation plan.

In addition, shares to be issued includes the cash proceeds and related fair value amount associated with the exercise of 19,840 warrants, for which the underlying shares were issued subsequent to September 30, 2015 (Note 13(c)).

13. ISSUED CAPITAL - *continued*

(c) Warrants

A summary of the Company's warrants activities for the nine months ended September 30, 2015 and the year ended December 31, 2014 is presented below:

	Number of Warrants		Value
Balance as at December 31, 2013	11,438,820	$	9,366
Warrants issued on private placement (Note 13(a))	4,250,769		1,242
Balance as at December 31, 2014	15,689,589	$	10,608
Warrants assumed on completion of Arrangement	4,666,666		89
Broker warrants assumed on completion of Arrangement	992,000		318
Exercise of warrants	(19,840)		(6)
Balance as at September 30, 2015	**21,328,415**	**$**	**11,009**

As a result of the Arrangement with Newmarket (discussed in Note 2), the Company assumed 4,666,666 warrants of Newmarket entitling the holders to purchase the same number of common shares of Newmarket Gold at an exercise price of C$1.50 and an expiry date of October 4, 2015. The fair value of these warrants assumed was determined using the Black-Scholes pricing model on the closing date of the Arrangement with a risk-free rate of 0.49%, volatility factor of 39.53%, an expected life of 0.24 years, and an expected dividend yield of 0%. In addition, the Company also assumed 992,000 broker warrants, with an exercise price of C$1.25, which were issued on the closing of the Arrangement. The fair value of these warrants was also determined using the Black-Scholes pricing model on the closing date of the Arrangement with a risk-free rate of 0.49%, a volatility factor of 67.72%, an expected life of 1.5 years, and an expected dividend yield of 0%.

As at September 30, 2015, the following warrants were outstanding and exercisable:

Number of warrants	Exercise price (C$)		Grant date fair value of warrants	Expiry Date
4,666,666	$1.50	$	89	October 4, 2015
4,250,769	$1.63		1,242	February 27, 2016
9,946,800	$9.16		8,644	March 24, 2016
1,492,020	$9.16		722	March 24, 2016
972,160	$1.25		312	January 10, 2017
21,328,415		$	11,009	

(d) Stock option plan and share unit plan

In conjunction with the completion of the Arrangement, shareholders of both predecessor entities (Crocodile Gold and Newmarket) approved new incentive plans for the amalgamated company, Newmarket Gold. The new incentive plans supersede all existing executive-based compensation plans, however, awards outstanding prior to the date of closing, being July 10, 2015, will continue to be governed by and subject to the terms of the inventive plans of each predecessor entity. The new Stock Option Plan and Share Unit Plan are consistent with current TSX policies and are summarized below. On completion of the Arrangement all previously granted options prior to July 10, 2015 became fully vested pursuant to the terms of the Arrangement.

The Stock Option Plan ("SOP") and Share Unit Plan ("SUP") provides for the issuance of options or units respectively to employees, directors, or officers of the Company or any of its subsidiaries or affiliates, consultants, and management employees. The aggregate number of Newmarket Gold shares available at all times for issuance under the SOP and SUP or any other security based compensation arrangement (pre-existing or otherwise) shall not exceed 20,000,000 Newmarket Gold shares. Any option or unit which has been cancelled or terminated prior to exercise in accordance with the terms of the SOP or SUP will again be available for grant under the SOP or SUP. The Board of Directors has the power to determine terms of any options and units granted under the Company's incentive plans, including setting exercise prices, vesting terms and expiry dates.

13. ISSUED CAPITAL – *continued*

(d) Stock option plan and share unit plan – continued

Each option and unit granted converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the grant. 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 at the option of the holder.

(e) Stock options

A summary of the Company's stock option activities for the nine months ended September 30, 2015 and for the year ended December 31, 2014 is presented below:

	Number of options	Weighted average exercise price (C$)
Balance as at January 1, 2014	6,034,392	$ 2.52
Granted	1,988,132	0.53
Exercised	(50,655)	0.41
Expired	(386,820)	5.29
Forfeited	(1,946,073)	2.77
Balance as at December 31, 2014	5,638,976	$ 1.58
Granted	8,170,000	1.50
Assumed on completion of the Arrangement	580,000	1.25
Exercised	(1,817,440)	0.46
Expired	(1,051,168)	4.19
Forfeited	(95,784)	4.51
Balance as at September 30, 2015	**11,424,584**	**$ 1.42**

As a result of the Arrangement with Newmarket (discussed in Note 2), the Company assumed 580,000 options of Newmarket entitling the holders to purchase the same number of common shares of Newmarket Gold at a weighted average exercise price of C$1.25 per share and expiry dates ranging from October 4, 2018 to April 7, 2019. All options assumed were fully vested on closing. The fair value of these options assumed was determined using the Black-Scholes pricing model on the closing date of the Arrangement with a weighted average risk-free rate of 0.66%, weighted average volatility factor of 67.66%, a weighted average expected life of 3.36 years, and a weighted average expected dividend yield of 0%.

In July 2015, the Company granted a total of 8,170,000 stock options to directors, employees, and consultants. The options granted have an exercise price of C$1.50 per share and expire five years from the date of grant. These options had a grant date estimated fair value of $0.47. The options vest over a three year period, one-third vesting from one year after the date of grant, one-third vesting from two years after the date of grant, and the final one-third vesting from three years after the date of grant.

During the nine months ended September 30, 2015, 1,817,440 options were exercised with a weighted average exercise price of C$0.46 per share, resulting in total proceeds of $631. The exercise of the options resulted in a reclassification of $295 from equity reserves to share capital, being the total fair value attributed to those exercised options. At the time of the exercises, the weighted average stock price at the time of exercise was C$1.10.

13. ISSUED CAPITAL - *continued*

(e) Stock options - continued

As at September 30, 2015, the following stock options were outstanding and exercisable:

Weighted average exercise price per share (C$)	Grant date	Number outstanding	Number exercisable	Expiry date
$ 0.41	September 25, 2013	761,360	761,360	September 25, 2018
0.53	December 23, 2014	1,251,332	1,251,332	December 23, 2019
1.00	October 4, 2013	400,000	400,000	October 4, 2018
1.50	July 15, 2015	130,000	-	July 15, 2020
1.50	July 10, 2015	8,040,000	-	July 10, 2020
1.55	July 9, 2012	73,680	73,680	July 9, 2017
1.65	April 7, 2014	60,000	60,000	April 7, 2019
1.90	January 29, 2014	120,000	120,000	January 29, 2019
2.20	March 30, 2012	255,424	255,424	March 30, 2017
3.66	April 12, 2011	22,104	22,104	April 12, 2016
4.03	June 6, 2011	170,692	170,692	June 6, 2016
5.82	November 23, 2010	139,992	139,992	November 23, 2015
$ 1.42		11,424,584	3,254,584	

The stock options outstanding at the end of the period had a weighted average exercise price of C$1.42 per share (September 30, 2014 – C$2.44) and a weighted average remaining contractual life of 1,569 days (September 30, 2014 – 886 days).

The weighted average fair value of the share options granted during the nine months ended September 30, 2015 is C$0.60 per share (nine months ended September 30, 2014 – C$0.29). 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 12 years of the Company and the industry in which it operates.

The fair value of options granted during the nine months ending September 30, 2015 and 2014 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Grant share price per share	**C$1.25**	C$0.53
Exercise price per share	**C$1.50**	C$0.53
Expected volatility	**63%**	83%
Expected life	**5 years**	3 years
Expected dividend yield	**0%**	0%
Expected forfeiture rate	**0%**	5%
Risk-free interest rate	**0.66%**	1.10%
Weighted average per share grant date fair value	**C$0.60**	C$0.29

13. ISSUED CAPITAL - *continued*

(f) *Share unit plan*

In July 2015, the Company granted a total of 4,118,000 performance share units to directors, employees, and consultants. During the three months ended September 30, 2015, 406,000 performance share units were forfeited and thereby leaving a balance of 3,712,000 performance share units outstanding as of September 30, 2015. The performance share units granted have an expiry of three years from the date of grant and vest based on the 20-day volume weighted average price on the TSX of the Company's shares: (i) as to one-third when the price of the Company's shares is C$2.25 or greater; (ii) as to one-third when the price of the Company's shares is C$3.00 or greater; and (iii) as to one-third when the price of the Company's shares is C$3.75 or greater. These performance share units had a grant date estimated fair value of $1,988. The fair value of the performance share units was calculated using a Monte-Carlo simulation model which provides a valuation based on a number of future probabilities and scenarios based on the vesting terms noted above.

(g) Phantom share units

The Company has granted phantom share unit ("PSU") to certain Australian employees, each of which 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.

No PSUs were granted during the nine months ended September 30, 2015 (nine months ended September 30, 2014 – Nil). A total of 39,296 PSUs were forfeited during the nine months ended September 30, 2015 (nine months ended September 30, 2014 – 42,980). The total amount of granted PSUs outstanding and exercisable as at September 30, 2015 is 318,052. As at September 30, 2015, the PSU's were not in-the-money. During the nine months ended September 30, 2015, 73,680 PSU's were exercised.

(h) Stock-based compensation

During the nine months ended September 30, 2015, $1,051 was recorded as share-based compensation in the condensed interim consolidated statement of operations from the vesting of share options and performance share units granted (nine months ended September 30, 2014 – $175).

14. CURRENT AND LONG-TERM DEBT

	September 30, 2015	December 31, 2014
Capital lease obligations (Note 14(a))	**$ 1,484**	$ 2,766
Convertible unsecured debentures (Note 14(b))	**23,450**	25,536
Other borrowings	**420**	790
	$ 25,354	$ 29,092
Current portion		
Capital lease obligations	**$ 890**	$ 1,330
Convertible unsecured debentures	**1,991**	2,228
Other borrowings	**93**	329
	$ 2,974	$ 3,887
Non-current portion		
Capital lease obligations	**$ 594**	$ 1,436
Convertible unsecured debentures	**21,459**	23,308
Other borrowings	**327**	461
	$ 22,380	$ 25,205

14. CURRENT AND LONG-TERM DEBT - *continued*

(a) 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 $976 as at September 30, 2015. The loans bear interest at rates ranging between 4.40% and 7.29% per annum with maturity dates between February 17, 2016 and November 30, 2017. Interest expense related to the equipment loans of $127 has been charged to the condensed interim consolidated statement of operations in the nine months ended September 30, 2015 (nine months ended September 30, 2014 – $202). The fair value of the loan liability is approximately equal to its carrying amount.

The following schedule outlines the total minimum loan payments due for capital leasing obligations over their remaining terms as at September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
2015	**$ 242**	$ 1,465
2016	**955**	1,080
2017	**370**	425
Total minimum loan payments	**1,567**	2,970
Less: Future finance charges	**(83)**	(204)
Present value of minimum loan payments	**1,484**	2,766
Not later than one year	**(890)**	(1,330)
Later than one year	**$ 594**	$ 1,436

(b) Convertible unsecured debentures

On April 5, 2013, the Company issued C$34,500 of 8% convertible unsecured debentures (the "Debentures") for net proceeds of $31,031 after accounting for transaction costs of $2,913. The Debentures mature on April 30, 2018 and unless converted or redeemed earlier, interest of C$1,380 is payable semi-annually on April 30 and October 31. As a 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. 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.

On the inception date, 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%. At that time, after discounting the liability to its estimated fair value and deducting the transaction costs, the liability and equity portion of the convertible debentures were recorded at C$27,204 and C$4,333, respectively. The liability portion is being accreted to its face value using the effective interest rate method at 13.67%.

For the nine months ended September 30, 2015, accretion of $2,431 was recorded as finance costs in the condensed interim consolidated statement of operations (nine months ended September 30, 2014 - $2,683). On May 15, 2015, C$9 of the convertible debentures was converted into 8,842 common shares of the Company. As at September 30, 2015, the Debentures had a fair value of C$44,838 based on quoted market prices from recent trading activity.

15. PROVISIONS

	September 30, 2015	December 31, 2014
Decommissioning, rehabilitation and similar liabilities (Note 15(a))	**$ 31,493**	$ 35,678
Long service leave (Note 15(b))	**6,860**	6,828
Total provisions	**38,353**	42,506
Current provisions	**(9,238)**	(6,951)
Non-current provisions	**$ 29,115**	$ 35,555

15. PROVISIONS - *continued*

(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 $29,530. 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 discount rates of 1.83% and 2.61%, 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.

During the nine months ended September 30, 2015, $1,572 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 (nine months ended September 30, 2014 – $Nil).

A summary of the Company's changes to decommissioning, rehabilitation, and similar liabilities for the nine months ended September 30, 2015 and year ended December 31, 2014 is presented below:

	September 30, 2015	December 31, 2014
Balance, beginning of the period	**$ 35,678**	$ 36,203
Increase in provisions recognized	**1,036**	3,312
Site closure and reclamation costs paid	**(929)**	(1,656)
Unwinding of discount on rehabilitation provision	**525**	1,139
Effect of foreign exchange	**(4,817)**	(3,320)
Balance, end of the period	**31,493**	35,678
Current portion of rehabilitation provision	**(4,456)**	(2,208)
Non-current portion of rehabilitation provision	**$ 27,037**	$ 33,470

(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 September 30, 2015, the total accrued long service leave was $6,860, of which $4,782 was classified as a current liability in the condensed interim consolidated statement of financial position ($6,828 and $4,743 as at December 31, 2014, respectively).

16. CONTINGENT PAYMENTS

As part of the acquisition of the Fosterville and Stawell Gold Mine 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) The Company shall be entitled to retain the first C$60,000;
(ii) AuRico shall be entitled to the next C$30,000;
(iii) the Company and AuRico shall share the next C$30,000 on a 50/50 basis; and
(iv) thereafter, the Company and AuRico shall share on an 80/20 basis.

The Company made its first payment of C$2,693 ($2,464) 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 ($16,744) 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 Mine 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.

16. CONTINGENT PAYMENTS - *continued*

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 was recorded in other (losses) gains in the consolidated statement of operations. Accretion of the discount on the contingent payment liability of $2,768 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 nine months ended September 30, 2015 and year ended December 31, 2014 were as follows:

	September 30, 2015	December 31, 2014
Balance, beginning of the period	**$ 30,170**	$ 22,323
Payments	**(16,744)**	(2,464)
Value of royalty granted	**(12,558)**	-
Accretion of discount	**-**	2,768
Loss on change in fair value through profit or loss	**-**	9,660
Effect of foreign exchange	**(868)**	(2,117)
Balance, end of the period	**-**	30,170
Current portion	**-**	(8,733)
Non-current portion	**$ -**	$ 21,437

17. SUPPLEMENTAL CASH FLOW INFORMATION

As at September 30, 2015, the Company's cash and cash equivalents balance of $37,204 (December 31, 2014 – $33,775) was held in full at major Canadian and Australian banks in deposit accounts. As at December 31, 2014, the Company also held gold bullion with a fair market value of $3,317 in a metals account at the Perth Mint in Perth, Australia.

	Three months ended		**Nine months ended**	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Working capital adjustments				
Change in gold bullion	**$ 135**	$ (2,653)	**$ 2,339**	$ (2,653)
Change in receivables	**(1)**	232	**112**	379
Change in inventories	**9**	4,133	**(2,308)**	6,778
Change in prepaid expenses	**(7)**	249	**1,270**	790
Change in accounts payable and accrued liabilities	**(3,206)**	(4,970)	**(3,025)**	(8,603)
Change in provisions	**406**	715	**1,048**	1,414
Payments against rehabilitation liabilities	**(441)**	(351)	**(929)**	(674)
	$ (3,105)	$ (2,645)	**$ (1,493)**	$ (2,569)
Non-cash transactions				
Value of shares issued and options and warrants assumed on completion of the Arrangement	**$ 30,573**	$ -	**$ 30,573**	$ -
Property, plant and equipment acquired through capital lease	**-**	$ 693	**$ 48**	$ 3,930
Insurance premiums financed by loan	**-**	833	-	3,701
Other information				
Interest paid (including any related withholding taxes)	**$ 34**	$ 100	**$ 235**	$ 280

18. RELATED PARTY TRANSACTIONS

(a) 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 nine months ended:

	September 30, 2015	September 30, 2014
Short-term compensation and benefits	**$ 1,600**	$ 724
Share-based payments	**886**	174
	$ 2,486	$ 898

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 general and administrative in the condensed interim consolidated statement of operations.

In connection with the closing of the Arrangement (Note 2), continuation bonuses of C$665 were paid to key management of the Company during the nine months ended September 30, 2015.

(b) Management contracts

As at September 30, 2015, minimum commitments upon termination of the existing contracts were approximately $1,456 and minimum commitments due within one year under the terms of these contracts are $1,270. In addition, the Company also is party to various executive and employee contracts that would require payments totalling $1,130 to be made upon the occurrence of a change of control.

(c) 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. The Company subscribed for 357,143 additional common shares of JDS Silver on March 3, 2015 for consideration of C$500.

(d) Other related party disclosures

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

The Company retains an option to repurchase a 0.5% net smelter return royalty over the Point Leamington Project from Calibre Mining Corp. ("Calibre"), a company with directors in common with Newmarket Gold.

19. 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 work completed prior to termination.

The Company has entered into an updated contract for the Northern Territory with the newly deregulated power retail provider in the Northern Territory for a 12 month period beginning on July 1, 2015, extending its previous contract with the then government-regulated power provider under the contract. Under the terms of 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 September 30, 2015 nor is it likely that such a scenario would eventuate during the term of the contract, 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 Mine through to December 31, 2015. Under the terms of 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 September 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 September 30, 2015, the Company had provided performance guarantees totaling $17,147 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.

Where the net value is negative, such amount is carried forward into future years to reduce the net value subject to the royalty. As a result of a significant negative net value balance, the Company does not expect to be in a payable position with respect to the royalty and consequently no amount has been accrued in the condensed interim consolidated financial statements.

(d) Contingent contractual royalty obligations

As at September 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 Mine, effective January 1, 2016.
- A$2 per ounce royalty payable on gold produced from the Stawell Gold Mine 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.
- 0.5% net smelter return royalty on mineral resources produced from Point Leamington, Newfoundland.

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

19. COMMITMENTS AND CONTINGENCIES - *continued*

(d) Contingent contractual royalty obligations - continued

With respect to the Maud Creek Gold Project, the Company also has a contingent contractual obligation of a payment of A$2,000 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 September 30, 2015, approximately 962,457 ounces of gold had been treated in the plant.

(e) Other commitments

The Company has assumed an office lease for the Company's head office at 200 Burrard Street, Suite 1680, Vancouver, British Columbia. The lease expires in August 2022, with total future minimum undiscounted payments of approximately $1,959.

(f) Forward sale commitment

In September 2015, the Company locked into forward sales on a delivery basis for 15,000 ounces of its production for the fourth quarter of 2015. The orders were locked in at an average gold price of A$1,619 per ounce, with delivery of the ounces to occur in October and November 2015. Revenue will be recognized at the contractual price upon delivery of the gold under the normal revenue recognition policy.