



**INFORMATION CIRCULAR**

**FOR THE**

**ANNUAL GENERAL AND SPECIAL MEETING**

**OF THE SHAREHOLDERS OF**

**GOLDGROUP MINING INC.**

**TO BE HELD ON**

**WEDNESDAY, JULY 11, 2018**

**Dated as of:**

**JUNE 6, 2018**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of the shareholders (the "Meeting") of Goldgroup Mining Inc. (the "Company" or "Goldgroup") will be held at Suite 420, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada **on Wednesday, July 11, 2018 at 10:00a.m. (PST)**, for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2017 together with the report of the auditor thereon;
2. to fix the number of directors at five;
3. to elect directors of the Company for the ensuing year;
4. to appoint Davidson & Company LLP as the auditors of the Company and to authorize the directors to fix the auditors' remuneration;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution set out in Schedule "B" to the management information circular of the Company dated June 6, 2018 (the "Information Circular") approving and adopting a Stock Option Plan for the Company in the form set out at Schedule "A" to the Information Circular;
6. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution set out in Schedule "C" to the Information Circular, ratifying the 2,740,000 stock options granted by the Company on January 23, 2018; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

This notice is accompanied by an information circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and, for those registered shareholders who so requested, a copy of the audited consolidated Financial Statements and Management Discussion and Analysis ("MD&A") of the Company for the financial year ended December 31, 2017. Shareholders are able to request to receive copies of the Company's annual and/or interim financial statements and MD&A on the form of proxy or voting instruction form, as applicable. The audited consolidated financial statements and MD&A of the Company for the financial year ended December 31, 2017 will be sent to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company or they can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com).

Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy and deposit it with the Company's transfer agent by 10:00a.m. (PST) on July 9, 2018, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting so that as large a representation as possible may be had at the Meeting. Non-registered shareholders of the Company who have received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), are required to complete and return the materials in accordance with the instructions provided by the Intermediary. The board of directors of the Company has by resolution fixed the close of business on June 6, 2018 as the record date being the date for the determination of the registered holders of common shares entitled to receive notice of and to vote at the Meeting and any adjournment thereof. Goldgroup shareholders are requested to complete and return the enclosed form of proxy to ensure that your Goldgroup common shares will be represented at the Meeting, whether you are personally able to attend. If you have questions, you may contact the Company's Corporate Secretary by telephone at 604-682-1943 or by email at [abalic@goldgroupmining.com](mailto:abalic@goldgroupmining.com).

**DATED** at Vancouver, British Columbia this 6<sup>th</sup> day of June 2018.

By Order of the Board of Directors

(Signed) "Keith Piggott"

Keith Piggott

Chairman, CEO & President

## INVITATION TO SHAREHOLDERS

### Dear Shareholder:

On behalf of Goldgroup Mining Inc.'s (the "Company") board of directors (the "Board of Directors"), management and employees, we invite you to attend our Annual General and Special Meeting (the "meeting") of Shareholders on July 11, 2018 to be held at Suite 420, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada at 10:00a.m. (PST).

The items of business to be considered at the meeting are described in the Notice of Annual General and Special Meeting of Shareholders of Goldgroup Mining Inc. and accompanying management proxy circular. The contents and the sending of the management proxy circular have been approved by the Board of Directors.

We encourage you to vote, which can easily be done by following the instructions enclosed with this management proxy circular. Following the formal portion of the meeting, management will review the Company's operation and financial performance during 2017 and provide an outlook on priorities for 2018 and beyond. You will also have an opportunity to ask questions and to meet your directors and executives.

Many of our public documents, including our 2017 Annual Report, are available on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com). We encourage you to visit our web site during the year for information about our Company, including news releases and investor presentations. To ensure you receive the latest news on the Company you can subscribe through our web site. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

We look forward to seeing you at the meeting.

Yours sincerely,

(Signed) "Keith Piggott"

Keith Piggott

Chairman, CEO & President

## **VOTING AND PROXIES: QUESTIONS AND ANSWERS**

This management proxy circular is dated June 6, 2018 and is furnished in connection with the solicitation by or on behalf of the management of Goldgroup Mining Inc. (“Goldgroup”, the “Company”, “our” or “we”) of proxies to be used at the Annual General and Special Meeting of shareholders of Goldgroup to be held at Suite 420, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada on July 11, 2018 at 10:00a.m. (PST) for the purposes indicated in the Notice of Annual General Meeting. It is expected that solicitation will be primarily by mail, but proxies may also be solicited personally, by telephone or facsimile or other similar means by Goldgroup employees or agents. Custodians and fiduciaries will be supplied with proxy materials to forward to beneficial owners of common shares of Goldgroup. The record date to determine which shareholders are entitled to receive notice of and vote at the meeting is June 6, 2018.

Your vote is very important to us. We encourage you to exercise your vote using any of the voting methods described herein. To be valid, completed proxy forms must be dated, completed, signed and deposited with our transfer agent, Computershare Trust Company of Canada (“Computershare”): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. Additionally, you may vote by using the internet at [www.investorvote.com](http://www.investorvote.com) or by calling 1-866-732-VOTE (8683). Your proxy instructions must be received in each case no later than 10:00a.m. (PST) on July 9, 2018. Please read the following for commonly asked questions and answers regarding voting and proxies.

### **Q. Am I entitled to vote?**

**A.** You are entitled to vote if you are a holder of common shares of Goldgroup as of the close of business on June 6, 2018, the record date for the meeting. Each common share is entitled to one vote. A simple majority of votes (50% plus one vote) is required to approve all matters. The list of registered shareholders maintained by Goldgroup will be available for inspection after June 6, 2018, during usual business hours at the offices of Computershare located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia and will be available at the meeting.

### **Q. What am I voting on?**

**A.** You will be voting:

- to elect directors of the Company for the ensuing year; and
- to appoint Davidson & Company LLP as the auditors of the Company and to authorize the directors to fix the auditors’ remuneration;
- to approve a new stock option plan; and
- to ratify certain stock options granted by the Company.

### **Q. What if amendments are made to these matters or if other matters are brought before the meeting?**

**A.** If you attend the meeting in person and are eligible to vote, you may vote on such matters as you choose. If you have completed and returned a proxy, the securities represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The persons named in the proxy form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual General and Special Meeting and to other matters that may properly come before the meeting. As of the date of this management proxy circular, our management knows of no such amendment, variation or other matter expected to come before the meeting. If any other matters properly come before the meeting, the persons named in the proxy form will vote on them in accordance with their best judgment. The management of Goldgroup is soliciting your proxy. Solicitation of proxies is done primarily by mail, supplemented by telephone or other contact, by our employees or agents at a nominal cost, and all these costs are paid by Goldgroup. If you are eligible to vote and your shares are registered in your name, you can vote your shares in person at the meeting or by completing your proxy form through any of the methods described above. If your shares are not registered in your name but are held by a nominee, please see below.

### **Q. How can I vote?**

**A.** If you are eligible to vote and your shares are registered in your name, you can vote your shares in person at the meeting or by completing your proxy form through any of the methods described above. If your shares are not registered in your name but are held by a nominee, please see below.

**Q. How can a non-registered shareholder vote?**

**A.** If your shares are not registered in your name but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution), your nominee is required to seek your instructions as to how to vote your shares. Your nominee will have provided you with a package of information, including these meeting materials and either a proxy or a voting form. Carefully follow the instructions accompanying the proxy or voting form.

**Q. How can a non-registered shareholder vote in person at the meeting?**

**A.** Goldgroup does not have access to all the names of its non-registered shareholders. Therefore, if you are a non-registered shareholder and attend the meeting, we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as a proxyholder. If you wish to vote in person at the meeting, insert your name in the space provided on the proxy form or voting form sent to you by your nominee. In doing so you are instructing your nominee to appoint you as a proxyholder. Complete the form by following the return instructions provided by your nominee. You should report to a representative of Computershare upon arrival at the meeting.

**Q. Who votes my shares and how will they be voted if I return a proxy?**

**A.** By properly completing and returning a proxy, you are authorizing the person named in the proxy to attend the meeting and vote your shares. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxyholder. The shares represented by your proxy must be voted according to your instructions in the proxy. If you properly complete and return your proxy but do not specify how you wish the votes cast, your shares will be voted as your proxyholder sees fit. Unless contrary instructions are provided, shares represented by proxies received by management will be voted:

- FOR the election of directors from those nominees set out in this management proxy circular;
- FOR the appointment of Davidson & Company LLP as auditors; and the authorization of the directors to fix the auditors' remuneration;
- FOR the approval of the new stock option plan; and
- FOR the ratification of the stock options granted by the Company on January 23, 2018

**Q. Can I appoint someone other than the individuals named in the enclosed proxy form to vote my shares?**

**A.** **Yes, you have the right to appoint the person of your choice, who does not need to be a shareholder, to attend and act on your behalf at the meeting.** If you wish to appoint a person other than the names that appear, then strike out those printed names appearing on the proxy form and insert the name of your chosen proxyholder in the space provided.

NOTE: It is important to ensure that any other person you appoint is attending the meeting and is aware that his or her appointment to vote your shares has been made. Proxyholders should, upon arrival at the meeting, present themselves to a representative of Computershare.

**Q. What if my shares are registered in more than one name or in the name of my company?**

**A.** If the shares are registered in more than one name, all those registered must sign the form of proxy. If the shares are registered in the name of your company or any name other than yours, you should submit documentation that proves you are authorized to sign the proxy form, concurrently with the filing of your proxy.

**Q. Can I revoke a proxy or voting instruction?**

**A.** If you are a registered shareholder and have returned a proxy, you may revoke it by:

1. completing and signing a proxy bearing a later date, and delivering it to Computershare; or
2. delivering a written statement revoking your proxy, signed by you or your authorized attorney to:
  - (a) the Corporate Secretary of Goldgroup Mining Inc. at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada at any time up to and including the last business day prior to the meeting, or the business day preceding the day to which the meeting is adjourned; or
  - (b) to the Chairman of the meeting prior to the start of the meeting.

If you are a non-registered shareholder, contact your nominee.

**Q. Is my vote confidential?**

**A.** Your proxy vote is confidential. Proxies are received, counted and tabulated by our transfer agent, Computershare. Computershare does not disclose the results of individual shareholder votes unless: they contain a written comment clearly intended for management; in the event of a proxy contest or proxy validation issue; or if necessary to meet legal requirements. Proxy voting records are routinely shared with management and counsel in the days prior to the meeting.

**Q. How many common shares are outstanding?**

**A.** As of June 6, 2018, there were **185,136,689** common shares outstanding. We have no other class or series of voting shares outstanding.

**Q. What is electronic delivery?**

**A.** Electronic delivery is voluntary e-mail notification sent to shareholders when documents such as our annual report, quarterly reports and this management proxy circular are available on our web site. If you wish, you may elect to be notified by e-mail when documentation is posted on our web site. Electronic delivery will save paper, reduce our impact on the environment and reduce costs.

**Q. How can I ask for electronic delivery?**

**A.** If you are a registered shareholder, go to the Investor Communication web site at [www.InvestorDelivery.com](http://www.InvestorDelivery.com) and follow the instructions on the screen.

You will need your Control Number and your PIN number (you will find them on the proxy form provided in your package).

Non-registered holders can sign up for mailings (not proxy materials) through [www.computershare.com/maillinglist](http://www.computershare.com/maillinglist).

If you have a question regarding the meeting, please contact Computershare at 1-800-564-6253 or visit [www.computershare.com](http://www.computershare.com).

**Q. What if I have other questions?**

**A.** If you have a question regarding the meeting, please contact Computershare at 1-800-564-6253 or visit [www.computershare.com](http://www.computershare.com).



## MANAGEMENT INFORMATION CIRCULAR

(all information as at June 6, 2018 unless otherwise noted)

### THE MEETING

This information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Goldgroup Mining Inc. (the "Company", or "Goldgroup") for use at the Annual General and Special Meeting (the "Meeting") of shareholders of the Company (the "Shareholders") to be held on Wednesday, July 11, 2018, at 10:00a.m. (PST), or any adjournment thereof, at Suite 420, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada for the purposes set out in the accompanying notice of meeting (the "Notice of Meeting").

The information contained in this Information Circular is given as of June 6, 2018. This Information Circular, the Notice of Meeting and accompanying Proxy are being mailed on or about June 14, 2018. In this Information Circular, references to "the Company", "Goldgroup", "we" and "our" refer to Goldgroup Mining Inc. "Common Shares" means common shares without par value in the capital of the Company, "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. Unless otherwise indicated, all references to "\$" or "dollars" in this Information Circular mean United States dollars.

### REVOCABILITY OF PROXIES

The persons named in the accompanying form of proxy are directors and officers of the Company. You have the right to appoint some other person or company of your choice, who need not be a Shareholder, to attend and act on your behalf at the Meeting.

**A Shareholder desiring to appoint some other person or company to represent him or her at the Meeting may do so either by inserting the name of such person or company in the blank space provided in the accompanying form of proxy and striking out the names of the management nominees or by duly completing another proper form of proxy and, in either case, depositing the completed proxy at the offices of the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 before the specified time described in the previous section.**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it: (a) by attending the Meeting and voting the Registered Shareholder's common shares, (b) by fully executing another form of proxy bearing a later date and duly depositing the same before the specified time, or (c) by executing a valid notice of revocation (where a new proxy is not also filed). A registered Shareholder means a Shareholder of the Company in possession of a physical Common Shares certificate of the Company as recorded with the Transfer Agent.

A later dated proxy or notice of revocation must be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and delivered by fax at 1-866-249-7775 (toll free in Canada and the United States) or 416-263-9524 (outside of Canada and the United States), or by mail (via postage paid return envelope) at Computershare Investor Services Inc., attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 or to the head office of the Company located at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada.

A later dated proxy must be received before 10:00a.m. (PST) on July 9, 2018, or if the Meeting is adjourned, the day that is two business days before any reconvening thereof at which the Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other provided by law. Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy. A revocation of proxy will not affect a matter on which a vote is taken before the revocation.

## EXERCISE OF DISCRETION

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such shares will be voted in the discretion of the person named in the proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this information circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### *Persons Making the Solicitation*

Goldgroup's management is using this Information Circular to solicit proxies from Shareholders for use at the Meeting. The solicitation of proxies will be primarily by mail, but Goldgroup's directors, officers and regular employees may also solicit proxies personally or by telephone. Goldgroup will bear all costs of the solicitation. Goldgroup has arranged for Intermediaries to forward the Meeting materials to beneficial owners of Common Shares held of record by those Intermediaries and Goldgroup may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

## COMPLETION AND PROXY INSTRUCTIONS

### *Voting of Proxies*

The Common Shares represented by the accompanying form of proxy (if the same is properly executed in favour of Keith Piggott, Corry J. Silbernagel or Anthony Balic, the management nominees, and is received at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 100 University Ave., 8th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1, by no later than 10:00a.m. (PST) on July 9, 2018 or, if the Meeting is adjourned, then not less than 48 hours (excluding Saturdays, Sundays and holidays) before any such adjourned meeting), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made. **In the absence of such a specification, the person designated in the accompanying form of proxy will vote in favour of all matters to be acted on at the Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters set forth in the accompanying notice of Meeting, or all other business or matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other business or matters to come before the Meeting.

### *Registered Holders*

Only Shareholders registered as shareholders in the Company's shareholder registry maintained by the Company's registrar and transfer agent or duly appointed Proxyholders (except as discussed below under "Non-registered Shareholders") will be recognized to make motions or vote at the Meeting.

### *Non-Registered Shareholders*

**Many Shareholders are "non-registered" shareholders because the shares of the Company they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.** More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans; or (b) in the name of a clearing agency (such as CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms) of which the Intermediary is a participant.

There are two kinds of Non-Registered Holders: (a) those who object to their name being made known to the issuers of securities which they own (called OBOs, for Objecting Beneficial Owners) and (b) those who do not object to the issuers of the securities they own knowing who they are (called NOBOs, for Non-Objecting Beneficial Owners).



Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* (NI 54-101), issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge Financial Solutions Inc., to whom many Intermediaries delegate investor communications) to NOBOs.

Goldgroup is taking advantage of NI 54-101 that permits us to directly deliver proxy-related materials to our NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a Voting Instruction Form (“VIF”), together with the Notice of Meeting, this Information Circular and related documents from our transfer agent, Computershare Investor Services Inc. (“Computershare”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile or voted using the telephone or internet alternatives included on the VIF. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare.**

Shareholders with questions respecting the voting of shares held through a stockbroker or other financial intermediary should contact that stockbroker or other intermediary for assistance.

**INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No person who was a director or senior officer of the Company at any time since the beginning of the Company’s last completed financial year, no person who is a proposed nominee for election as a director of the Company and no associate or affiliate of any such director, senior officer or proposed nominee has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors, the approval of the 2018 Option Plan and the Shareholder ratification of the stock options granted on January 23, 2018.

***Record Date and Outstanding Shares***

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is June 6, 2018. Only persons who were Registered Shareholders as of the close of business on June 6, 2018 are entitled to vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Information Circular. A quorum for the Meeting shall be two persons present in person, each being a shareholder entitled to vote or appointed by proxy and holding together or representing by proxy not less than 5% of the outstanding shares of the Company entitled to vote at a meeting.

**VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company’s authorized capital consists of an unlimited number of common shares without par value. As at the date hereof, the Company has issued and outstanding **185,136,689** fully paid and non-assessable common shares, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities. The outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “GGA”.

To the knowledge of the directors and executive officers of the Company, the only persons who, or corporations which, beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company are:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
N/A	N/A	N/A

**VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The board of directors of the Company (the “Board”) is a variable board consisting of not fewer than one and not more than fifteen directors. The term of office of each of the current directors will end immediately before the election of directors at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Unless the director’s office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the by-laws of the Company, each director elected will hold office until the next annual meeting or until his successor is appointed.

At the Meeting, the Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). Such resolution will be approved if the majority of Common Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour thereof. At the Meeting, the Company will ask Shareholders to vote for the election of the five nominees proposed by the Company as directors. Each holder of common shares will be entitled to cast their votes for, or withhold their votes from, the election of each director. The management proxyholders named in the accompanying form of proxy as proxyholders intend to vote for the election of all nominees whose names are set forth in this Information Circular, unless instructed otherwise.



### *Majority Voting for Directors*


As part of its ongoing review of corporate governance practices, the Company requires, in an uncontested election of directors, any nominee for election as a director who receives a greater number of votes “withheld” than votes “for” to tender his or her resignation to the Chair of the Board of Directors promptly following the shareholder’s meeting. The Corporate Governance and Nominating Committee will consider the offer of resignation and make a recommendation to the Board of Directors on whether to accept it. In considering whether to recommend acceptance of the resignation, the Corporate Governance and Nominating Committee will consider all factors deemed relevant by members of such Committee. The Corporate Governance and Nominating Committee will be expected to recommend acceptance of the resignation except in situations where the consideration would warrant the applicable director continuing to serve on the Board of Directors. The Board of Directors will make its final decision and announce it in a news release within 90 days following the shareholders’ meeting. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board of Directors or the Corporate Governance and Nominating Committee at which the resignation is considered.


### *Nominees*

The following table sets forth for each of the persons proposed to be nominated for election as directors their name, city, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; their memberships with the applicable committees of the Company; each nominee’s attendance to board meetings and applicable committee meetings. The three committees of the Company are: (i) Audit Committee (**AC**), (ii) Compensation Committee (**CC**), and (iii) Governance & Nominating Committee (**GNC**).

In addition, the table shows the nominees’ current equity ownership consisting of common shares beneficially owned, directly or indirectly, or controlled or directed, and options credited to, each nominee. For additional information regarding compensation, options, equity ownership, and current directorships, please refer to the Statement of Executive Compensation, Director Compensation, Statement of Corporate Governance Practices and Other Directorships. Below includes the attendance of each director for the Board of Directors meetings and various committee meetings held between January 1, 2017 to December 31, 2017.

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Options Held (1)																		
<b>Keith Piggott</b>																				
 <p>Sonora, México Director since: August 2006 Non-Independent Member of the Board</p>	17,143,945 <sup>(1)</sup>	4,800,000																		
<p>Principal Occupation for the Past Five Years: Keith Piggott is currently the President, Chairman and a Director of the Company. Mr. Piggott is the Legal Representative of Gramin S.A. de C.V. and Minera Secotec S.A. de C.V. Mr. Piggott is currently the President, CEO and a Director of Candelaria Mining Corp. and Core Gold Inc. (formerly "Dynasty Metals &amp; Mining Inc."). He earned a Mining Engineering degree from the Camborne School of Mines in 1964 and completed the Executive Development Course at the London Business School in 1972.</p>																				
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<p><b>Notes:</b>  (1) Of the 17,143,945 common shares, 11,582,011 common shares are held by Happy Holdings Limited and 5,561,934 are held directly by Keith Piggott.  (2) Keith Piggott is not independent as he is currently the Company's President, Chairman and CEO.</p>																				
<b>Corry J. Silbernagel</b>																				
 <p>British Columbia, Canada Director since: May 2010 Independent Member of the Board Chairman &amp; Member of GNC Chairman &amp; Member of AC Member of the CC</p>	500,907	1,875,000																		
<p>Principal Occupation for the Past Five Years: Mr. Silbernagel is a partner of a Vancouver-based private equity firm. He was formerly a Director of Expedition Mining Inc. and Universal Uranium Ltd., and a Director and Senior Officer of Toro Resources Corp. Prior to this, he was CFO of Cabo Drilling Corp., one of Canada's largest exploration drilling services companies following his role as a management and financial consultant and corporate advisor in strategy, finance, business development and marketing. He holds a Masters of Business Administration from INSEAD in France and a Bachelor's degree in Applied Science in Civil Engineering from the University of British Columbia.</p>																				
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Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Options Held (1)																		
<b>Javier Reyes</b>																				
 <p>Mexico City, Mexico Director since: June 2013 Non-Independent Member of the Board Member of the AC Member of the CC Member of GNC</p>	7,711,700 <sup>(1)</sup>	2,450,000																		
<p>Principal Occupation for the Past Five Years: Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a company that manages four hedge funds which are located in Tortola, British Virgin Islands. He is currently a Director of Candelaria Mining Corp. and Core Gold Inc. (formerly “Dynasty Metals &amp; Mining Inc.”). Mr. Reyes holds a Bachelor’s Degree in Economics and Business Administration and also holds a Masters in Finance. He began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the founder, President and Chief Executive Officer of the Antares Capital Management and Cygnus Asset Management, and manages 3 hedge funds: Antares Capital Fund, Antares Oil &amp; Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes currently holds the following positions: President of CrediPresto, S.A. de C.V. ENR. (since 2007) and President of Mex e Trade Asesores, S.C. (since 2004). Mr. Reyes has also held the following positions: Chief Executive Office of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997).</p>																				
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<p><b>Notes:</b></p> <p>(1) Of the 7,711,700 common shares, 7,586,580 common shares are held by CrediPresto S.A. de C.V. and 125,120 are held directly by Javier Reyes. Javier Reyes, a director of the Company, is a principal of CrediPresto.</p>																				
<b>Javier Montaña</b>																				
<p>Culiacan, Mexico Director since: June 2015 Independent Member of the Board Member of the AC Member of the CC Member of GNC</p>	2,825,000 <sup>(1)</sup>	575,000																		
<p>Principal Occupation for the Past Five Years: Mr. Montaña is a Certified Public Accountant with a post graduate in accounting at Universidad Panamericana de Guadalajara, Jalisco. He is currently a Director of Candelaria Mining Corp. and also the Chief Executive Officer of C-UNO, S.A. de C.V. Since 2004. Mr. Montaña holds various other positions which includes: President, Secretary and Board Member of Codesin, which is the private sector chamber for economic development for the State of Sinaloa since 2011; President of Administración de Credianvance, S.A. de C.V. Sofom ENR; since 2012; Member of the Board of Promotora de Casas y Edificios SA de CV since 2004 and Member of the Board of Endeavor for the State of Sinaloa since 2010.</p>																				
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<p><b>Notes:</b></p> <p>(1) Of the 2,825,000 common shares, 2,000,000 common shares are held by Alberto Alejandro Coppel Luken (Javier Montaña is Mr. Luken’s investment representative) and 825,000 are held directly by Javier Montaña.</p>																				

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Options Held (1)						
<b>Harry Burgess</b>								
 <p>Ontario, Canada Director since: December 2017 Independent Member of the Board</p>	362,634	300,000						
<p>Principal Occupation for the Past Five Years: Mr. Burgess is currently a Director of Cartier Iron Corporation (formerly "Northfield Metals Inc."), and GPM Metals, Inc. He has also held various past positions such as Independent Director by Champion Iron Mines Ltd., an Independent Director by Treasury Metals, Inc., an Independent Director by Tartisan Resources Corp., an Independent Director by Brigus Gold Corp., and an Independent Director by Vena Resources, Inc. He also served on the board at Mag Copper Ltd., Aquiline Resources, Inc., Absolut Resources Corp., Amerix Precious Metals Corp. and ACME Resources Corp. Mr. Harry Burgess was a Founding Partner and now an Associate Consulting Mining Engineer of Micon International, Ltd. and is a Member at Professional Engineers Ontario and a Member at The Canadian Institute of Mining, Metallurgy &amp; Petroleum.</p>								
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<p><b>Notes:</b> (1) Harry Burgess was appointed to the Board of Directors on December 20, 2017. The Directors of the Company did not hold any meetings between the period December 20, 2017 to December 31, 2017.</p>								

**Notes:**

- (1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.
- (2) As of June 6, 2018, the current directors of the Company, five (5) in the aggregate, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 28,544,186 Common Shares (excluding stock options granted) or approximately 15.42% of the Common Shares issued and outstanding. To the knowledge of the Company there are no common share owned directly or indirectly by the Nominee Directors.
- (3) The italicized stock options were granted on January, 23 2018 and can only be exercised if shareholder ratification is granted at the Meeting
- (4) The Audit Committee shall meet four times annually, or more frequently as circumstances dictate. The Audit Committee was comprised of Corry J. Silbernagel (Chairman), Javier Reyes and Javier Montañó for the year ended December 31, 2017. David L. Ingram was a member of the Audit Committee member during the year ended December 31, 2017. David Ingram passed away on January 21, 2017 and therefore the Company Javier Montañó filled in the vacancy.
- (5) The Compensation Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Compensation Committee was comprised of Corry J. Silbernagel (Chairman), Javier Reyes and Javier Montañó for the year ended December 31, 2017. David L. Ingram was the Chairman and a member of the Compensation Committee during the year ended December 31, 2017. David L. Ingram passed away on January 21, 2017 whereby Cory J. Silbernagel filled the vacancy of Chairman and Javier Montañó filled in the vacancy. The Compensation Committee did not meet during the year ended December 31, 2017.
- (6) The Governance & Nominating Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Governance & Nominating Committee was comprised of Corry J. Silbernagel (Chairman), Javier Reyes and Javier Montañó for the year ended December 31, 2017. David L. Ingram was a member of the Governance & Nominating Committee during the year ended December 31, 2017. David L. Ingram passed away on January 21, 2017 whereby Javier Montañó filled in the vacancy. The Governance & Nominating Committee did not meet during the year ended December 31, 2017.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as disclosed below, to the knowledge of the Company, no director or executive officer of the Company:

- (a) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:
  - (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
  - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a), "order" means:

- (i) a cease trade order;

- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for more than 30 consecutive days.

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company

- a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### ***Conflicts of Interest***

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended December 31, 2017.

Mr. Reyes is a member of senior management of CrediPresto.

On August 20, 2017 the Company announced that it had entered into a US\$10 million syndicated facility agreement as announced on September 19, 2014 among Credipresto, Goldgroup and another party that has since assigned its position to Credipresto, and guaranteed by the various guarantor parties thereto, as amended by the Loan Assignment Agreement announced in the press release on December 2, 2015. The facility agreement ("Credit Agreement") was further amended as announced on December 23, 2015. Prior to the amendments to the Credit Agreement described herein, the outstanding balance owed on the Credit Agreement was US\$89,000. In addition to the Credit Agreement, Credipresto has loaned the Company funds which bear interest at a rate of 12% per annum and are subject to the same repayment terms as the Credit Agreement (the "Additional Loan"). Prior to the amendments to the Credit Agreement described herein, the outstanding balance owed on the Additional Loan was US\$538,000.

### **Facility Amended Terms**

- The Additional Loan was merged into the Credit Agreement such that it ceases to be a separate debt obligation owing by Goldgroup to Credipresto and such that the aggregate outstanding balance owing on the Credit Agreement is now US\$627,000 (the "Amended Balance"), not including the additional draw described below, all of which is subject to the full terms and conditions of the Credit Agreement as amended (including, for clarity, that the interest rate of 15% per annum now applies to all of the Amended Balance);
- The maturity date and all required repayment dates of the Credit Agreement were extended by one year, such that required quarterly payments now commence December 18, 2018 (rather than December 18, 2017) and final payment is now due on September 18, 2019 (rather than September 18, 2018); and
- The available credit under the Credit Agreement (in addition to the Amended Balance) was set at US\$1,500,000, of which US\$1,000,000 is intended to be drawn shortly.

As consideration for Credipresto agreeing to amend and extend the Credit Agreement, the Company has issued 3,500,000 warrants to Credipresto, each warrant exchangeable for one common share in the capital of the Company at an exercise price of \$0.10. The warrants will expire if not exercised within two years.

## AUDIT COMMITTEE

### *Audit Committee Charter*

The complete text of the Company's audit committee charter can be viewed on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com) or for a summary please refer to the "Statement of Corporate Governance Practices". Please also see the "Audit Committee" section of the Company's Annual Information Form for the year ended December 31, 2017, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com).

### **Composition, Name of Audit Committee Member, Relevant Experience and Qualifications During the Year Ended December 31, 2017**

Audit Committee Member	Relevant Experience and Qualifications <sup>(1) (2)</sup>
<b>Corry J. Silbernagel</b> Independent Member of the Board of Directors Financially Literate	Mr. Silbernagel became a director of Goldgroup in May 2010 and was a Director of Pre-RTO Goldgroup in 2006. Mr. Silbernagel is a partner of a Vancouver-based private equity firm. Prior, Mr. Silbernagel was CFO of Cabo Drilling Corp., one of Canada's largest exploration drilling services companies following his role as a management and financial consultant and corporate advisor in strategy, finance, business development and marketing. As a professional engineer, Mr. Silbernagel has managed large-scale projects in excess of \$100 million in the mining and oil and gas industry for companies such as Suncor Energy and TransAlta Energy. Mr. Silbernagel holds a Master of Business Administration from INSEAD in Fontainebleau, France and a Bachelors degree in Applied Science in Civil Engineering from the University of British Columbia.
<b>Javier Reyes <sup>(3)</sup></b> Non- Independent Member of the Board of Directors Financially Literate	Mr. Reyes became a director of Goldgroup in June 2013. Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a company that manages four hedge funds which are located in Tortola, British Virgin Islands. Mr. Reyes holds a Bachelor's Degree in Economics and Business Administration and also holds a Masters in Finance. He began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the founder, President and Chief Executive Officer of the Antares Capital Management and Cygnus Asset Management, and manages 3 hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes currently holds the following positions: President of Credipresto, S.A. de C.V. ENR. (since 2007) and President of Mex e Trade Asesores, S.C. (since 2004). Mr. Reyes has also held the following positions: Chief Executive Office of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997).
<b>Javier Montaña <sup>(4)</sup></b> Non- Independent Member of the Board of Directors Financially Literate	Mr. Montaña became a director of Goldgroup in June 2015. Mr. Montaña is a Certified Public Accountant with a post graduate in accounting at Universidad Panamericana de Guadalajara, Jalisco. He is currently a Director of Candelaria Mining Corp. and also the Chief Executive Officer of C-UNO, S.A. de C.V. Since 2004. Mr. Montaña holds various other positions which includes: President, Secretary and Board Member of Codesin, which is the private sector chamber for economic development for the State of Sinaloa since 2011; President of Administración de Crediance, S.A. de C.V. Sofom ENR; since 2012; Member of the Board of Promotora de Casas y Edificios SA de CV since 2004 and Member of the Board of Endeavor for the State of Sinaloa since 2010.

#### **Notes:**

- 1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- 2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- 3) On August 20, 2017 the Company announced that it had entered into a US\$10 million syndicated facility agreement as announced on September 19, 2014 among Credipresto, Goldgroup and another party that has since assigned its position to Credipresto, please refer to *Conflicts of Interest* for full disclosure on the transaction and subsequent amendments. Therefore Mr. Reyes is considered a Non-Independent member of the Board of Directors.
- 4) The Audit Committee was comprised of Corry J. Silbernagel (Chairman), Javier Reyes and Javier Montaña David Ingram for the year ended December 31, 2017. David L. Ingram was a member of the Audit Committee member during the year ended December 31, 2017. David Ingram passed away on January 21, 2017 and therefore the Company Javier Montaña filled in the vacancy.

### *Audit Committee Oversight*

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## STATEMENT OF EXECUTIVE COMPENSATION

This section of the Information Circular explains how the Company's executive compensation program is designed and operated with respect to the Company's named executive officers ("NEOs") defined as follows:

- a) the individual who acted as the Company's Chief Executive Officer ("CEO") or acted in a similar capacity for any part of the most recently completed financial year;
- b) the individual who acted as the Company's Chief Financial Officer ("CFO") or acted in a similar capacity for any part of the most recently completed financial year;
- c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and
- d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The Company's current NEOs are Keith Piggott and Anthony Balic.

### *Compensation Discussion and Analysis*

The objectives of the Company's executive compensation program are:

- to reward individual contributions in light of the Company's performance;
- to be competitive with the companies with whom the Company competes for talent;
- to align the interests of the executives with the interests of the shareholders; and
- to attract and retain executives who could help the Company achieve its objectives.

The two basic components of executive compensation have been a fixed salary and performance-based variable incentive compensation which is comprised of stock option grants (the "Total Direct Compensation"). The allocation of Total Direct Compensation value to these different compensation elements is not based on a formula, but rather is intended to reflect market practices as well as the Compensation Committee's discretionary assessment of an executive officer's past contribution and ability to contribute to future short and long-term business results.

The Compensation Committee assists the Board in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board regarding compensation of the Company's executive officers, employees and directors, succession plans for executive officers, and the Company's overall compensation and benefits policies, plans and programs.

The Compensation Committee is responsible for establishing, administering and evaluating the compensation philosophy based on criteria, including the Company's performance for the accomplishment of long-term strategic objectives. The Compensation Committee oversees the Company plans, i.e. the Stock Option Incentive Plan. In the determination of compensation for the executive management and directors, the Compensation Committee will utilize any or all of the following: compensation surveys, peer comparison, analysis, compensation consultants and any other reference or means deemed appropriate. All of the members of the Compensation Committee have experience setting compensation for executives in companies of similar size to the Company.

In the course of its deliberations, the Compensation Committee considered the implications of the risks associated with adopting the compensation program currently in place. The Compensation Committee does not believe that the compensation program adopted by the Company creates a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks and no such risks have been detected to date. The Compensation Committee will continue to include this consideration in its deliberations and believes that it and the Board would detect actions of management or employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to or held by these individuals.



### *Executive Compensation-Related Fees*

During the year ended December 31, 2017, there were no fees paid with respect to executive compensation related fees.

### *Base Salary*

Base salary is the fixed portion of Total Direct Compensation and was designed to provide income certainty and to attract and retain executives. Base salaries for NEOs are reviewed annually. During the 2017 fiscal year there were no increases in compensation for the CEO and compensation fixed for CFO.

### *Long-term Incentives*

Long-term incentive compensation is provided through the granting of stock options. This incentive arrangement is typically designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders and to attract and retain executives.

Participants benefit only if the market value of the Company's common shares at the time of stock option exercise is greater than the exercise price of the stock options at the time of grant. In most instances to date, the vesting period and term of the option has been established by the Board in relation to the circumstances surrounding each grant.

For the 2017 fiscal year, the Compensation Committee reviewed all compensation to be awarded to the NEOs.

The Compensation Committee believed it was important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the Compensation Committee included holding in-camera sessions without management present and, when necessary, obtaining advice from external consultants.

During the year ended December 31, 2017, there were no fees paid with respect to executive compensation related fees.

### *The Role of Management*

For the 2017 fiscal year, management had direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. As a result, management played an important role in the compensation decision-making process. The CEO may also provide a self-assessment of his own individual performance objectives and/or results achieved, if requested by the Compensation Committee. No such requests were made by the Compensation Committee during 2017.

### *Performance Assessment*

Rather than strictly applying formulas and weightings to forward-looking performance objectives, which may lead to unintended consequences for compensation purposes, the Compensation Committee exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the Compensation Committee does not measure performance using any pre-set formulas in determining compensation awards for NEOs. The Compensation Committee's assessment of the overall business performance of the Company, including corporate performance against both quantitative and qualitative objectives and, where appropriate, relative performance against peers, provides the context for individual executive officer evaluations for all direct compensation awards.

### *Corporate Performance*

In the future the Compensation Committee will review the results achieved by the Company and discuss them with management on an annual basis. For the purposes of Total Direct Compensation deliberations, the Compensation Committee will then consider the results achieved by the Company to provide general context for the Compensation Committee's review of individual performance by the NEOs. A summary of the 2017 corporate performance results are noted in the section "*Overall Corporate Performance*", below.

### *Individual Performance*

During the 2017 fiscal year the compensation for the CEO was fixed. During 2017, the compensation of the CFO was fixed. Compensation of the Company's CEO and CFO are disclosed under the Summary Compensation Table.

### *Internal Equity and Retention Value*

Executive officers pay relative to other executives' internal equity is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of the other NEOs reflects, in part, the difference in their relative responsibilities. The CEO's responsibility for the management and oversight of the enterprise is greater than each of the executive officers' respective business areas. The Compensation Committee also considers the retentive potential of its compensation decisions. Retention of the NEOs is generally critical to business continuity and succession planning.

### *Previously Awarded Compensation*

The Compensation Committee approved or recommended compensation awards which were not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual. The Compensation Committee believed that reducing or limiting current stock option grants or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer and reduce the motivation for continued high achievement. Similarly, the Compensation Committee did not purposely increase long-term incentive award values in a given year to offset less-than-expected returns from previous grants. During the annual Total Direct Compensation deliberations, the Compensation Committee was provided with summaries of the history of each executive officers previously awarded Total Direct Compensation. These summaries help the Compensation Committee to track changes in an executive officer's Total Direct Compensation from year to year and to remain aware of the historical compensation for each individual.

### *Overall Corporate Performance*

For the purposes of Total Direct Compensation deliberations, the Compensation Committee reviewed the 2017 corporate performance results, including the information noted below. The Compensation Committee used this information to determine an overall rating to provide general context for the review of individual performance by the NEOs.

Highlights and Developments included:

- On August 30, 2017 the Company announced that it had entered into a US\$10 million syndicated facility agreement as announced on September 19, 2014 among Credipresto, Goldgroup and another party that has since assigned its position to Credipresto, and guaranteed by the various guarantor parties thereto, as amended by the Loan Assignment Agreement announced in the press release on December 2, 2015. The facility agreement ("Credit Agreement") was further amended as announced on December 23, 2015. Prior to the amendments to the Credit Agreement described herein, the outstanding balance owed on the Credit Agreement was US\$89,000. In addition to the Credit Agreement, Credipresto has loaned the Company funds which bear interest at a rate of 12% per annum and are subject to the same repayment terms as the Credit Agreement (the "Additional Loan"). Prior to the amendments to the Credit Agreement described herein, the outstanding balance owed on the Additional Loan was US\$538,000.

#### **Facility amended terms**

- The Additional Loan was merged into the Credit Agreement such that it ceases to be a separate debt obligation owing by Goldgroup to Credipresto and such that the aggregate outstanding balance owing on the Credit Agreement is now US\$627,000 (the "Amended Balance"), not including the additional draw described below, all of which is subject to the full terms and conditions of the Credit Agreement as amended (including, for clarity, that the interest rate of 15% per annum now applies to all of the Amended Balance);
- The maturity date and all required repayment dates of the Credit Agreement were extended by one year, such that required quarterly payments now commence December 18, 2018 (rather than December 18, 2017) and final payment is now due on September 18, 2019 (rather than September 18, 2018); and
- The available credit under the Credit Agreement (in addition to the Amended Balance) was set at US\$1,500,000, of which US\$1,000,000 is intended to be drawn shortly.

As consideration for Credipresto agreeing to amend and extend the Credit Agreement, the Company has issued 3,500,000 warrants to Credipresto, each warrant exchangeable for one common share in the capital of the Company at an exercise price of \$0.10. The warrants will expire if not exercised within two years.

- On September 22, 2017 the Company provided a legal update in regard to DynaResource, Inc.'s ("DynaUSA") award in excess of USD\$48 million in damages against the Company. On August 24, 2017, a Federal Amparo judge in the state of Veracruz, Mexico, dismissed Goldgroup Resources Inc.'s Amparo challenge. Goldgroup's position in response to the USD\$48 million claim remains the same with its previous press release (see Goldgroup's August 31, 2016 and October 14, 2015 new releases located on [www.sedar.com](http://www.sedar.com)).

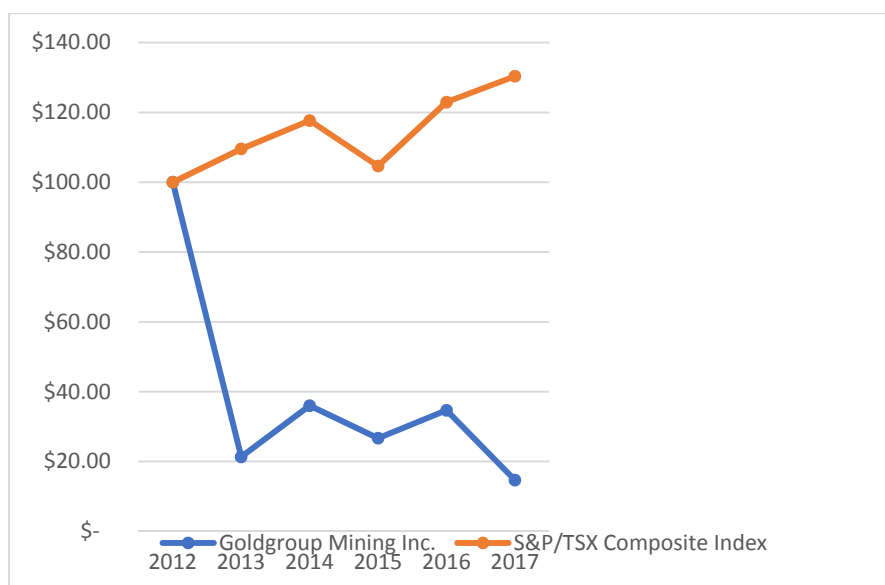
Goldgroup was never notified of the purported court case and does not recognize any of the claims mentioned therein and is of the belief that such claims are entirely without merit. More importantly, the Company expects the claim to be voided at the Mexican Supreme Court level due to the unambiguous arbitration result in favor of Goldgroup in August 2016.

- On December 20, 2017 the Company announced the appointment of Harry Burgess as a Director of the Company.
- During the year ended December 31, 2017, the Company sold the concessions and the leach pad for the assumption by the purchaser of the decommissioning obligation at Cerro Colorado.

### Performance Graph

The Board of Directors recognizes that the mining industry is volatile in share prices. Goldgroup’s focus is on long-term shareholder value growth. Goldgroup’s common shares were valued at \$0.055 on the TSX at December 31, 2017 compared to \$0.13 at December 31, 2016, a decrease of approximately 57.69%. The following chart compares the total cumulative shareholder return for \$100 invested in the Company’s common shares since December 31, 2012, with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed fiscal years of the Company.

Goldgroup has experienced significant changes with the acquisition and disposition of certain assets, and market fluctuation. Goldgroup’s compensation to the Named Executive Officers has stayed relatively flat since 2006, with the exception of severances paid in 2012 and 2013 to certain NEO’s and the increase in CEO compensation in 2016 and appointment of new CFO. Also, a significant portion of NEO compensation is based on long-term incentives with the ultimate value received tied directly to Goldgroup’s share price performance.



Five Year Cumulative Return on \$100 Investment

	For the financial years ended					
	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017
Goldgroup Mining Inc.	\$100	\$21	\$36	\$27	\$35	\$15
S&P/TSX Composite Index	\$100	\$110	\$118	\$105	\$123	\$130

### Stock Options

#### Stock Option Granting Process

Grants of stock options are typically made annually, or for new employees, at the next quarterly meeting of the Board of Directors after the commencement of employment.

The CEO makes recommendations to the Compensation Committee regarding individual employee stock option awards for all recipients. In other circumstances, the Compensation Committee makes its own recommendations to the Board. The CEO does not engage in discussions with the Compensation Committee regarding his own stock option grants.

The Compensation Committee typically reviews the appropriateness of the stock option grant recommendations from the CEO for all eligible employees and accepts or adjusts these recommendations. The Compensation Committee is responsible for approving all individual stock option grants, including grants that are awarded outside the annual compensation deliberation process for such things as promotions or new hires.

The Compensation Committee is also responsible for recommending to the Board for its approval any stock option grants for executive officers. The Compensation Committee typically approves or recommends compensation awards, including stock option grants, which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual.

Stock option grants were previously made pursuant to the stock option plan approved by the Company's shareholders at the annual general and special meeting of shareholders held June 11, 2014 (the "2014 Option Plan"), which conformed to requirements of the *Income Tax Act* (Canada), the TSX and best practices regarding security-based compensation arrangements. The 2014 Option Plan expired on its own terms on June 11, 2017.

At the Company's 2017 annual general and special meeting of shareholders held June 14, 2017, a resolution was passed concerning a new stock option plan to replace the 2014 Option Plan for up to a three-year term (the "Unimplemented Plan"). However, after consultation with the TSX, the Company did not implement the Unimplemented Plan. Therefore, the Company has not had an active stock option plan since the expiry of the 2014 Option Plan.

On January 23, 2018, the Company granted 2,740,000 Options to individuals who would have been eligible for grants had the 2014 Option Plan remained active or had the Unimplemented Plan been implemented. Pursuant to TSX rules, the Options granted pursuant to the January 23, 2018 grants cannot be exercised unless and until ratified by the Shareholders. Shareholders will be asked to ratify these grants at the Meeting. Refer to *Particular Matters to be Acted Upon* for full details.

At the Meeting, Shareholders will be asked to approve the new 2018 Option Plan, which is substantially the same as the 2014 Option Plan (other than that it does not automatically expire three years after approval), and if approved the stock option granting process described above will continue under the 2018 Option Plan. Refer to *Particular Matters to be Acted Upon* for full details.

#### *Other Compensation*

Executive officers receive other benefits that the Company believes are reasonable and consistent with its overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of executive officers. Benefits consist of extended medical and dental coverage, the level of which is consistent with industry practice and limited executive perquisites. Any non-policy perquisites are outlined in the discussion following the Summary Compensation Table.

#### **Summary Compensation Table**

The following table is a summary of compensation paid in the Company's previous three financial years to the Company's NEOs for the most recently completed fiscal year. All compensation noted below are in US Dollars.

Name and Position	Year	Salary (\$)	Share based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Keith Piggott</b> <sup>(2)</sup> President, Chairman & CEO	2017	162,000	Nil	Nil	Nil	Nil	Nil	Nil	162,000
	2016	130,500	Nil	176,006	Nil	Nil	Nil	120,000	426,506
	2015	120,000	Nil	79,248	Nil	Nil	Nil	Nil	199,248
<b>Anthony B. Balic</b> <sup>(3)</sup> CFO & Corporate Secretary	2017	131,500	Nil	Nil	Nil	Nil	Nil	Nil	131,500
	2016	105,900	Nil	36,688	Nil	Nil	Nil	18,875	161,463
	2015	78,000	Nil	18,296	Nil	Nil	Nil	Nil	96,296
<b>Sam Wong</b> <sup>(4)</sup> Former CFO & Corporate Secretary	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	79,275	Nil	22,000	Nil	Nil	Nil	86,825	188,100
	2015	78,000	Nil	18,296	Nil	Nil	Nil	Nil	96,296

**Notes:**

This figure includes the US dollar value of cash and non-cash base salary each NEO earned (accrued) during the financial year.

1. Fair value at the time of grant calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" below.
2. Mr. Piggott was the Company's CEO from April 30, 2010 and President from March 25, 2011 to October 11, 2012 whereby Mr. Sedun replaced him as Interim President and CEO. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013. Mr. Piggott was appointed as Chairman, President & CEO of the Company on June 23, 2013.
3. Anthony B. Balic was appointed Chief Financial Officer and Corporate Secretary effective September 1, 2016 replacing Sam K. Wong.
4. Sam K. Wong was appointed the Company's Chief Financial Officer and Corporate Secretary effective December 16, 2014 replacing Michael Clark. Sam K. Wong was retained as a Consultant by the Company and received CAD\$8,333 per month. Sam K. Wong resigned as Chief Financial Officer and Corporate Secretary effective September 1, 2016. Anthony B. Balic was appointed Chief Financial Officer and Corporate Secretary effective September 1, 2016. Sam Wong is currently the Company's Director of Finance and is no longer an NEO.

**Share Option Values and Assumptions**

2017 Grant Dates	
Number of options granted	Nil
Share Price at Grant Date	N/A
Exercise Price	N/A
Expected Volatility (weighted average volatility)	N/A
Option life (expected weighted average life)	N/A
Expected Dividends	Nil
Risk-free interest rate (based on government bonds)	N/A
Resulting fair value at grant date	N/A

**Incentive Plan Awards**

The following table sets out all option-based awards and share based awards outstanding for each NEO at December 31, 2017. The Company's NEOs do not have any outstanding share-based awards.

Name	OPTIONS-BASED AWARDS				SHARE-BASED AWARDS		
	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of Unexercised in-the-money options (CDN\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CDN\$)	Market or payout value of vested share-based awards not paid out or distributed (CDN\$)
<b>Keith Piggott</b> President, CEO & Chairman	500,000	\$0.10	Nov. 18, 2018	Nil	Nil	Nil	Nil
	1,000,000	\$0.145	Feb. 12, 2020	Nil	500,000	Nil	Nil
	1,000,000	\$0.06	Dec. 8, 2020	\$70,000	250,000	Nil	Nil
	1,800,000	\$0.27	Oct. 26, 2021	\$Nil	1,350,000	Nil	Nil
<b>Anthony B. Balic</b> CFO	200,000	\$0.06	Dec. 8, 2020	\$14,000	20,000	Nil	Nil
	375,000	\$0.27	Oct. 26, 2021	\$Nil	281,250	Nil	Nil

**Incentive Plan Awards - Value Vested Or Earned During The Year ended December 31, 2017**

Name	Option-based awards Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Keith Piggott</b> , President, CEO & Chairman	\$Nil	\$ Nil	\$Nil
<b>Anthony B. Balic</b> , CFO & Corporate Secretary	\$Nil	\$ Nil	\$Nil

**STATEMENT OF  
DIRECTOR COMPENSATION**

***Compensation of Directors***

The following table sets forth all compensation the Company paid or granted to the Company's directors, other than NEOs, for the most recently completed financial year ended December 31, 2017. All compensation noted below are in US Dollars

Name	Fees earned	Share- based Awards	Option- based Awards <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total
Corry J. Silbernagel	\$37,375	Nil	Nil	N/A	N/A	Nil	\$37,375
Enrique A. Peralta <sup>(2)</sup>	\$7,800	Nil	Nil	N/A	N/A	\$78,000	\$85,800
Javier Reyes <sup>(3)</sup>	\$25,350	Nil	Nil	N/A	N/A	\$72,000	\$97,350
David L. Ingram <sup>(4)</sup>	\$8,125	Nil	Nil	N/A	N/A	Nil	\$8,125
Gregg J. Sedun <sup>(5)</sup>	\$9,750	Nil	Nil	N/A	N/A	Nil	\$9,750
Javier Montaño	\$15,600	Nil	Nil	N/A	N/A	Nil	\$15,600
Harry Burgess <sup>(6)</sup>	Nil	Nil	Nil	N/A	N/A	Nil	Nil

Notes:

- (1) Fair value at the time of grant calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" above.
- (2) Enrique Peralta was a Director during the year ended December 31, 2017. Enrique Peralta served as the Company's Mexican legal counsel and receives a monthly retainer of \$6,500 for these services. Mr. Peralta was a Director of the Company from June 11, 2013 to June 14, 2017.
- (3) Javier Reyes receives a monthly fee of \$6,000 with respect to providing corporate development services
- (4) David L. Ingram was a Director of the Company during the year ended December 31, 2016. Mr. Ingram passed away on January 21, 2017.
- (5) Gregg J. Sedun was a Director during the year ended December 31, 2017. Gregg J. Sedun was a Director of the Company from June 30, 2010 to June 14, 2017.
- (6) Harry Burgess was appointed a Director of the Company on December 20, 2017.

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

***Material Factors Necessary to Understand Director Compensation***

The Company has adopted a compensation scheme for non-executive directors that pay cash amounts. Below is a description of the directors' compensation fees.

A cash retainer is paid quarterly effective after the Company's annual general meeting. Directors are also reimbursed for their board-related expenses incurred on our behalf. The cash retainer (in US Dollars) is comprised of the following:

Annual fees:

- an annual fee of \$15,600;
- an additional annual retainer fee of \$3,900 for each committee of which he is a member, other than the Audit Committee and an additional annual retainer fee of \$5,850 for being a member of the audit committee;
- the Chair of each committee receives an annual retainer fee of \$3,250 in addition to their \$3,900 committee fee, except for the Chair of the Audit Committee who receives an annual retainer fee of \$4,875 in addition to their \$5,850 committee fee; and
- The Lead Director receives an annual fee of \$12,000. Currently, the Company does not have a Lead Director.

***Retirement Policy for Directors***

The Company does not have a retirement policy for its directors.

### Directors' and Officers' Liability Insurance

The Company has purchased, for the benefit of the Company, its subsidiaries and their directors and officers, insurance against liability incurred by the directors or officers in their capacity as directors or officers of the Company or its subsidiaries (the "Directors' and Officers' Liability Insurance"). The Directors' and Officers' Liability Insurance has been paid for the period of November 30, 2017 to November 30, 2018 and the following is a summary of the premiums paid. All amounts are Canadian.

For the Period	Coverage	Premium Per Year	total amount of insurance (subject to Policy deductibles)
November 20, 2017 to November 20, 2018	Director/Officer Liability Insurance	\$20,000	\$10,000,000 Per Claim Limit & Policy Period
November 20, 2017 to November 20, 2018	Additional Side A Insurance	\$7,616	\$ 5,000,000 Per Claim Limit & Policy Period

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company adopted the 2014 Option Plan to permit the Company to grant incentive stock options up to 10% of the issued and outstanding Common Shares to its directors, officers, employees and consultants of the Company or its subsidiaries. The 2014 Option Plan was approved by shareholders of the Company on June 11, 2014 and expired on its own terms on June 11, 2017.

The following table sets forth as at the year ended December 31, 2017 the number of securities authorized for issuance under the 2014 Option Plan.

Plan Category	Number of common shares to be issued upon exercise of outstanding options, warrants and rights	Number of common shares to be issued upon exercise of outstanding options, warrants and rights as a percentage of total number permitted	Weighted average exercise price of outstanding options, warrants and rights	Number of common shares remaining available for future issuance under any equity compensation plan (this excludes shares reflected in the first column)
Equity compensation plans approved by security holders	16,125,000	87%	\$0.17	Nil <sup>(1)</sup>
Equity compensation plans not approved by security holders	Nil <sup>(2)</sup>	0%	Nil	Nil
<b>Total</b>	<b>16,125,000</b>	<b>87%</b>	<b>\$0.17</b>	<b>Nil</b>

Notes:

<sup>(1)</sup> As a result of the expiration of the 2014 Option Plan on June 11, 2017, the Company did not have any active equity compensation plans as at the year ended December 31, 2017

<sup>(2)</sup> Please see *Particular Matters to be Acted Upon -- Ratification of January 23, 2018 Option Grants* below with respects to Options granted by the Company after December 31, 2017

The following table sets out the burn rate of the issued stock options for the three most recently completed financial years:

Year	Stock Options Granted	Weighted Average Securities Outstanding	Burn Rate
2017	Nil	185,123,000	0.00%
2016	6,340,000	180,343,000	3.52%
2015	9,175,000	153,307,000	5.98%

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### *Aggregate Indebtedness*

The following table sets out the aggregate indebtedness outstanding as of the date of this Information Circular of all current and former executive officers, directors and employees of the Company or its subsidiaries.

Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	Nil	Nil
Other	Nil	Nil

### *Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs*

The following table sets out the indebtedness of each individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, each proposed director, and each associate of such persons, (a) who is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries, or (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries:

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During Year Ended December 31, 2017 (\$)	Amount Outstanding as at June 6, 2018 (\$)	Financially Assisted Securities Purchases During Year Ended December 31, 2017(#)	Security for Indebtedness	Amount Forgiven During Year Ended December 31, 2017 (\$)
<b>Securities Purchase Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil
<b>Other Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directors, directly or indirectly, voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Except as set forth hereafter, no informed person of the Company, any proposed director, or any of their associates or affiliates, has any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The following material transactions occurred with related parties during the fiscal year ended December 31, 2017, and all related party transactions are detailed in the Company’s Management Discussion & Analysis for the year ended December 31, 2017. Please note that transactions are translated at applicable average exchange rates, except for monetary assets and liabilities, which are translated at the appropriate period end exchange rates. Accordingly, while balance continuity can be reconciled in the original currency, differences will arise due to translation in the amounts reported in United States dollars.



## MANAGEMENT CONTRACTS

### AS AT DECEMBER 31, 2017, THE COMPANY HAD ENTERED OR HAD IN EFFECT THE FOLLOWING MANAGEMENT AND CONSULTING AGREEMENTS:

Agreement	Terms of Agreement
N/A	N/A

## CORPORATE GOVERNANCE DISCLOSURE

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company, as a whole, is responsible for reviewing the overall governance principles of the Company and is responsible for any governance issues that may arise. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The following describes the Company's corporate governance practices.

Corporate Governance Disclosure Requirement	Comments
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	As of the date of this Information Circular, the independent directors of the Company are Messrs. Silbernagel, Montañó and Burgess.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	Keith Piggott is not independent as he is currently the Company's President, Chairman and CEO.  Javier Reyes is not independent due to a monthly retainer he receives with respect to providing corporate development services  All of the above have a material relationship with the Company. A material relationship is defined in National Instrument 52-110 to mean any relationship, which could in the view of the board, or reasonably expected to interfere with the exercise of his or her independent judgment.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the "board") does to facilitate its exercise of independent judgment in carrying out its responsibilities.	As of the date of this Information Circular there is a majority of Independent Directors. There are currently three out of five current directors who are independent. The Company's Independent Directors meet on an ad-hoc basis in order to facilitate and carry out independent decision making for the Company.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Directorships of the directors of the Company are set out in this Information Circular in the table under the heading <i>Election of Directors and Other Directorships</i> .
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The current independent directors do not hold such meetings. To facilitate open and candid discussions among its independent directors, the independent members meet via ad-hoc meetings as required.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Chairman, Keith Piggott is not an independent director. The Board provides leadership to its independent directors by formal Board Meetings. The Company currently does have a "lead director".
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance of each director for all board and committee meetings between January 1, 2017 to December 31, 2017 is set out in the table under the heading " <i>Attendance of Directors at Board and Committee Meetings</i> ".

Corporate Governance Disclosure Requirement	Comments
<b>2. Board Mandate</b>	
<p>Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities</p>	<p>The board has adopted a written mandate. The members of the Board have the duty to supervise the management of the business and affairs of the Company. The Board, directly and through its committees and the chair of the Board (the “Chair”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company. The text of the Board’s Mandate can be found on the Company’s website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a>.</p>
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The board has developed written position descriptions for the chair and the chair of each board committee. The role and responsibilities of each such position is delineated primarily by the operational requirements and function of the Board or of the particular committee. Each such position entails the fundamental requirement to chair meetings of the Board and/or committee, including the determination and control of the agenda for business considered, facilitation of discussion among members, consideration and voting on resolutions and similar matters. Additional matters related to the role and responsibilities of each such position are determined through internal discussions among the members of the Board and each such committee. Most major decisions taken by the Chief Executive Officer are discussed with the directors prior to their adoption or implementation. Accordingly, the Company has delineated the effective role and responsibilities for the Chief Executive Officer through ongoing communication and practice between the Chief Executive Officer and the directors.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The board has developed a written position description for the CEO and Executive Chairman. A copy of the position description together with the complete Board Mandate can be found on the Company’s website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a>. The Compensation Committee is responsible for the review and approval of the corporate objectives that the CEO is responsible for meeting as well as the assessment of the CEO’s performance against these objectives.</p>
<b>3. Position Descriptions</b>	
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The board has developed written position descriptions for the chair and the chair of each board committee. The role and responsibilities of each such position is delineated primarily by the operational requirements and function of the Board or of the particular committee. Each such position entails the fundamental requirement to chair meetings of the Board and/or committee, including the determination and control of the agenda for business considered, facilitation of discussion among members, consideration and voting on resolutions and similar matters. Additional matters related to the role and responsibilities of each such position are determined through internal discussions among the members of the Board and each such committee. Most major decisions taken by the Chief Executive Officer are discussed with the directors prior to their adoption or implementation. Accordingly, the Company has delineated the effective role and responsibilities for the Chief Executive Officer through ongoing communication and practice between the Chief Executive Officer and the directors.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The board has developed a written position description for the CEO and Executive Chairman. A copy of the position description together with the complete Board Mandate can be found on the Company’s website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a>. The Compensation Committee is responsible for the review and approval of the corporate objectives that the CEO is responsible for meeting as well as the assessment of the CEO’s performance against these objectives.</p>
<b>4. Orientation and Continuing Education</b>	
<p>(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.</p>	<p>New directors are provided with details of the Company’s organizational structure, the structure of the Board, compliance requirements for directors, corporate policies and by-laws and technical reports. They also meet with the directors and senior management of the Company to learn of the functions and activities of the Company. On an ongoing basis, presentations are made to the Board on various aspects of the Company’s operations. Directors can also access internal financial information, management, technical experts and consultants.</p>

Corporate Governance Disclosure Requirement	Comments
<b>4. Orientation and Continuing Education (Continued)</b>	
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	As a part of the continuing education of the directors, correspondence with the Company's legal counsel facilitates the directors to remain up-to-date with developments in relevant corporate and securities' law matters. New directors are provided with key documents including the Code of Business Conduct and Ethics, Board and Committee Mandates and Charters, Insider Trading Policy and Continuous disclosure policies. As well, the directors meet with Management to discuss and better understand the business and from time to time visit the Company's properties. Board members are encouraged to communicate with Management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Board members have full access to the Company's records. Directors attend conferences and seminars relevant to their particular expertise.
<b>5. Ethical Business Conduct</b>	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	The Company has adopted a written Code of Business Conduct and Ethics for its directors, officers and employees.
(i) disclose how a person or Company may obtain a copy of the code;	A copy of the Code of Business Conduct and Ethics may be obtained by written request to the Company's offices located at Suite #1201 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada or can be viewed on the Company's website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> and <a href="http://www.sedar.com">www.sedar.com</a> .
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	The Board has instructed management to bring any breaches of the Code to the attention of the chair of the Board and the chair of the Audit Committee. Management and employees may report breaches in the Code confidentially and anonymously to an independent third party through the Company's whistleblower hotline or via the Whistleblower Security Link on the Company's website site located at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> .
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	No material change report has been filed since January 1, 2017 (the commencement of the year ended December 31, 2017) , or ever, that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	If a director or executive officer has an interest in any transaction or agreement before the board, the interested directors or executive officers must abstain from voting on such issues or topics. Each director must disclose all actual or potential conflicts of interest to the board or the Audit Committee.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Company has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statements disclosure issues, accounting, or internal controls, to report such violations or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through an independent reporting agency used by the Company for this purpose. Once received, complaints are forwarded to the Chair of the Audit Committee who then investigates each matter so reported and make corrective and disciplinary action, if appropriate. Complaints may also be made internally. The board has also adopted the Company's disclosure policy that covers the accurate and timely communication of all material information. This policy is reviewed on a regular basis.
<b>6. Nominations of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Governance and Nominating Committee is responsible for proposing new nominees to the board. The Candidate may be identified by management, through the retention of advisors or other referral sources. This committee is also responsible for identifying required competencies and characteristics of potential directors.
(b) Disclose whether or not the board has a nominating committee composed of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Company does have a nominating committee which is the Governance and Nominating Committee. The Chairman of the Governance and Nominating Committee, Corry J. Silbernagel who is independent is the primary contact for the Governance and Nominating Committee, whereby all activities of the Governance and Nominating Committee are first addressed to the Chairman of the Committee to address. During the period January 1, 2017 until January 21, 2017 the Governance and Nominating Committee consisted entirely of independent Directors. David L. Ingram passed away on January 21, 2017 whereby Javier Montano filled in the vacancy. Due to the composition and size of the Board of Directors between January 1, 2017 to December 20, 2017 the Governance and Nominating Committee consisted of 2 independent and 1 non-

independent directors.

Corporate Governance Disclosure Requirement	Comments
<b>6. Nominations of Directors (Continued)</b>	
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee. Also describe if the Company implements a majority voting policy for its directors.	The Governance and Nominating Committee has the responsibility of, among other things: (i) recommending to the board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders and nominees for appointment to Committees of the board; and (ii) analyzing the needs of the board when vacancies arise on the board and Committees and recommending nominees who meet such needs. The Company has implemented majority voting for its' directors. Information on the majority voting for directors is set out under the heading <i>Majority Voting for Directors</i> .
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Compensation Committee reviews directors' and senior officers' compensation annually and make recommendations to the board and executive management. Two members of the Compensation Committee are independent. In assessing compensation, the Compensation Committee reviews the compensation of comparable companies or comparable size and stage of development in the mineral resources industry. The Compensation Committee monitors, and makes recommendations to the board in respect of, the performance of senior management and approves their compensation. The Compensation Committee determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Company.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	The Compensation Committee does not consist entirely of independent directors. During the year ended December 31, 2017 the composition consisted of two independent directors and one non-independent director. The Chairman of the Compensation Committee was David L. Ingram who was an independent director and was the primary contact for the Compensation Committee, whereby all activities of the Compensation Committee are first addressed to the Chairman of the Committee to address. David L. Ingram passed away on January 21, 2017 and therefore the Company will be filling in this vacancy.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Compensation Committee has the responsibility for determining senior management's remuneration and stock options, and recommending to the board CEO, Chairman, and director's compensations and stock option awards. The compensation committee has the power to engage external advisors at its discretion.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in advising the compensation committee in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	During the year ended December 31, 2017 the Company did not retain the services of a compensation consultant.
<b>8. Other Board Committees</b>	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	There are no other committees.
<b>9. Assessments</b>	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Board annually, and at such other times as it deems appropriate, will review the performance and effectiveness of the Board, the Directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board will conduct informal discussions of its Directors, to assess whether there are areas of improvement. As part of the assessments, the Board or an individual committee may review its respective mandate or charter and conduct reviews of applicable corporate policies. The Board or did/not review the Boards and Committee performances during the year ended December 31, 2017.



### ***Other Directorships***

Certain directors of the Company are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. With respect to these interlocking board memberships, it is the Board's view that the mining community at the highest levels is closely connected and that in order for the Company's directors to maintain these connections, which are in the best interests of the Company, directors of the Company should be permitted to serve on other boards of directors, including in some cases, the same board of directors. The Current Board is satisfied that it has a system for dealing with conflicts of interest if any were to arise. In addition to their positions, the following current directors also served as directors of the following reporting issuers or reporting issuer equivalent(s):

<b>Name of Director</b>	<b>Reporting Issuer(s) or Equivalent(s)</b>
Keith Piggott	Core Gold Inc. (formerly "Dynasty Metals & Mining Inc.") – President, CEO & Director
Javier Reyes	Core Gold Inc. (formerly "Dynasty Metals & Mining Inc.") – Director Candelaria Mining Corp. – Director
Javier Montaña	Candelaria Mining Corp. – Director
Harry Burgess	Cartier Iron Corporation (formerly "Northfield Metals Inc.") - Director GPM Metals, Inc. - Director

### **ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS**

The Company has previously disclosed all attendance at Board of Directors meetings and committee meeting attendance. Please refer to "Election of Directors" as to Board of Directors meetings and committee meeting attendance.

### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the re-appointment of Davidson & Company LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the directors. The persons named in the enclosed Proxy will vote for the appointment of Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as the Company's auditor to hold office until the next annual general meeting of the Shareholders, at a remuneration to be fixed by the directors. Davidson & Company LLP, has served as the Company's auditor since November 7, 2014.

### **PARTICULAR MATTERS TO BE ACTED UPON**

#### **Approval of 2018 Option Plan**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the adoption of the Company's stock option plan (the "2018 Option Plan"). The Company's 2014 Option Plan was previously adopted by the Company and approved by the Shareholders at the June 11, 2014 Annual and Special Meeting of Shareholders and expired on its own terms on June 11, 2017. The 2018 Option Plan is intended to supersede and replace the 2014 Option Plan with respect to future grants of Options.

The 2018 Option Plan is a rolling stock option plan with substantially the same terms as the 2014 Option Plan. The total number of Common Shares reserved and available for issuance pursuant to the 2018 Option Plan (together with those Common Shares issuable pursuant to any other security-based compensation arrangement of Goldgroup or options for services granted by Goldgroup) cannot exceed 10% of the issued and outstanding Common Shares of the Company from time to time. As of the date hereof, the Company has 185,136,689 issued and outstanding Common Shares, meaning that pursuant to the terms of the 2018 Option Plan, 18,513,669 Common Shares may be reserved for issuance pursuant to the exercise of Options granted. An aggregate of 14,825,000 Common Shares have been reserved for issuance pursuant to outstanding Options granted under the 2014 Option Plan, which represents 8.0% of the current total number of issued and outstanding Common Shares. A further 2,740,000 Options were granted on January 23, 2018 after the expiration of the 2014 Option Plan, which represents 1.5% of the current total number of issued and outstanding Common Shares, which grants are subject to ratification by the Shareholders before such Options can be exercised (see *Ratification of January 23, 2018 Option Grants* below). Thus, if the 2018 Option Plan is approved and the Options granted on January 23, 2018 are ratified, Options for the issuance of up to 948,669 Common Shares would become available for grant by the Company as of the date hereof, which represents 0.5% of the current total number of issued and outstanding Common Shares.

Other than that the 2018 Option Plan would not automatically expire three years after approved by the Shareholders, no material terms of the 2018 Option Plan vary from the Company's 2014 Option Plan and all terms are pursuant to the policies of the TSX. As the 2018 Option Plan does not include an automatic expiration date, so long as the plan remains active, and per TSX rules, every three years any unallocated options under the plan must be re-approved by resolution of the Shareholders. If the 2018 Option Plan is adopted by the Shareholders, it will replace the 2014 Option Plan in its entirety.

A summary of the terms of the 2018 Option Plan is set out below. The full text of the 2018 Option Plan is set forth in Schedule "A" to this Information Circular.

Employees, officers, directors (subject to limitations) and consultants of the Company or any of its subsidiaries will be eligible to participate in the 2018 Option Plan, which is intended to continue to achieve a number of objectives through the grant of stock options ("Options") including:

1. attracting, retaining and motivating qualified directors, employees and consultants; and
2. aligning the interests of directors, employees and consultants with those of the Shareholders.

Below is a summary of the material terms of the 2018 Option Plan:

- The maximum number of Common Shares reserved for issuance by the Company pursuant to the 2018 Option Plan, plus any other security-based compensation arrangements (involving an issuance of shares from treasury) shall not exceed 10% of the issued and outstanding Common Shares from time to time.
- The number of securities issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
- The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
- The number of Common Shares reserved for issuance pursuant to the 2018 Option Plan (together with those Shares which may be issued pursuant to any other security-based compensation agreement of the Company or options for services granted by the Company) to any one person cannot exceed 5% of the Common Shares outstanding on a non-diluted basis on the date of grant
- The 2018 Option Plan provides that the exercise price is determined by the Compensation Committee when the Option is granted and, in any event, may not be less than the closing price of the Common Shares on the stock exchange such shares are listed on, on the last market trading day prior to the date of the grant of the Option.
- The 2018 Option Plan provides that the Compensation Committee may at its discretion, provide for Options to vest, if they deem necessary at the time of grant.
- The maximum term for any Option will be ten years pursuant to the 2018 Option Plan, provided that in the circumstance where the end of the term of an Option falls within, or within ten business days after the end of, a "black out" or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the blackout period has ended, the scheduled expiry date.
- The 2018 Option Plan provides that, in the event a holder of Options (an "Optionholder") is terminated for cause, all Options granted to such individual will expire immediately. The treatment of Options upon other termination events is as follows:
  - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup's subsidiaries) other than because of termination for cause, only those Options vested at the date of such cessation will be exercisable for a maximum period of 60 days; and
  - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup's subsidiaries) by reason of death or Disability, the Options then vested will be exercisable for a maximum period of twelve months.
- The 2018 Option Plan provides that the Options are non-transferable and non-assignable, except in limited circumstances.
- The 2018 Option Plan provides that the Board shall have the power to amend, suspend or terminate the 2018 Option Plan or any Option granted thereunder, from time to time without shareholder approval, including changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Plan and changes regarding the vesting of the Options provided that (i) such amendment, suspension or termination is in accordance with applicable laws and the rules of the TSX; and (ii) no such amendment, suspension or termination shall be made that would materially adversely affect the existing rights of the Optionholder.

- The Board shall obtain shareholder approval for amendments:
  - to the maximum number shares that may be reserved for issuance upon exercise of Options granted pursuant to the terms of the 2018 Option Plan;
  - that would reduce the exercise price of an outstanding Option held by an insider;
  - that would extend the term of any Option granted under the 2018 Option Plan beyond the expiry date of the Option if such extension would benefit an insider of the Company;
  - that result in cancellation and re-issue of Options; and
  - which would permit Options to be granted under the Plan to be transferable or assignable other than for normal estate settlement purposes.
- The 2018 Option Plan includes a cashless exercise feature in the event of a Change of Control (as defined in the 2018 Option Plan) which allows holders of Options to surrender vested Options that have not been exercised, to the Company, in consideration for a payment in Common Shares or cash (at the option of the holder and subject to the approval of the Board), equal to the difference between the fair market value of the Common Shares and the aggregate exercise price for the Common Shares pursuant to the surrendered Options.
- The 2018 Option Plan also provides that the Company may withhold from any amount payable to an Optionholder, in such manner as in its discretion determines necessary, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable legal requirements relating to the withholding of tax or any other required deductions with respect to Options.

If the 2018 Option Plan is approved by Shareholders at the Meeting, all Options granted following such approval will be subject to, and will vest in accordance with, the terms and conditions of the 2018 Option Plan and the option agreements applicable thereto. All outstanding Options granted under the 2014 Option Plan will continue to be governed by, and will vest in accordance with, the terms and conditions of the 2014 Option Plan and the option agreements pursuant to which such Options were issued.

The full text of the ordinary resolution approving the adoption of the 2018 Option Plan can be found in Schedule “B” attached hereto.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the 2018 Option Plan Resolution.

***Recommendation of the Board of Directors***

**The Board of Directors unanimously recommends that the Shareholders of the Company vote FOR the 2018 Option Plan.**

**Ratification of January 23, 2018 Option Grants**

At the Company’s previous annual general and special meeting of shareholders held June 14, 2017, a resolution was passed concerning a new stock option plan to replace the 2014 Option Plan for up to a three-year term (the “Unimplemented Plan”). The proposed terms of the Unimplemented Plan were identical to the 2014 Option Plan in all material respects. The form of the Unimplemented Plan can be found attached to last year’s Management Information Circular dated as of May 10, 2017, a copy of which is available on the Company’s website. However, after consultation with the TSX, the Company did not implement the Unimplemented Plan. Therefore, the Company has not had an active stock option plan since the expiry of the 2014 Option Plan.

On January 23, 2018, the Company granted 2,740,000 Options to the following categories of individuals who would have been eligible for grants had the 2014 Option Plan remained active or had the Unimplemented Plan been implemented:

<u>Grantee Category</u>	<u>No. of Options Granted</u>
Directors	1,100,000
Executive Officers	700,000
Non-Executive Employees	620,000
Consultants	320,000
	<hr/>
	2,740,000



All of the Options granted on January 23, 2018 included the following terms, subject to Shareholder ratification:

- the exercise price for each Option was set at \$0.07 per share (historical closing prices at the time of the grant were \$0.06 per share on January 23, 2018 and \$0.07 per share on January 22, 2018)
- each Option vests 25% on the date of grant, 25% 6 months from the date of grant, 25% 12 months from the date of grant and 25% 18 months from the date of grant
- such Options are otherwise granted on the general terms and conditions set out in the Unimplemented Plan, notwithstanding that such plan has otherwise not been implemented by the Company, such that the general terms and conditions of the Options granted January 23, 2018 are identical to those of the outstanding Options issued under the 2014 Option Plan.

Pursuant to TSX rules, the Options granted pursuant to the January 23, 2018 grants cannot be exercised unless and until ratified by the Shareholders. Accordingly, the Company is seeking ratification of such grants by the Shareholders.

At the Meeting, shareholders will be asked to consider and vote on an ordinary resolution (the “Ratification of Granted Stock Options Resolution”), which provides that the 2,740,000 Options granted on January 23, 2018 as described herein, and the issuance of Common Shares in the Company pursuant to the exercise thereof in accordance with their terms, are ratified and approved by the shareholders. If so ratified, the Options granted on January 23, 2018 will become exercisable in accordance with their terms in the same manner as the outstanding Options granted under the expired 2014 Option Plan remain exercisable in accordance with their terms. If the Ratification of Granted Stock Options Resolution is not passed at the Meeting, the Options granted by the Company on January 23, 2018 will not be able to be exercised by the holders thereof without further shareholder approval.

The full text of the Ratification of Granted Stock Options Resolution can be found in Schedule “C” attached hereto.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Unallocated Entitlements Resolution.

#### ***Recommendation of the Board of Directors***

**The Board of Directors unanimously recommends that the Shareholders of the Company vote FOR the Ratification of Granted Stock Options Resolution.**

#### **Other Matters**

It is not known if any other matters will come before the Meeting other than set forth above and in the Notice of Meeting, but if such should occur, the persons named in the accompanying Proxy intend to vote on any poll, on such matters in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement thereof.

#### **RESTRICTED SECURITIES**

The Company has no other classes of voting securities and does not have any classes of restricted securities.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the SEDAR website at [www.sedar.com](http://www.sedar.com) under Goldgroup’s profile. Financial information is provided in the Company’s comparative annual financial statements and MD&A for its most recently completed financial year copies of which were previously mailed to shareholders who requested them and are filed and available on SEDAR or by email at [abalic@goldgroupmining.com](mailto:abalic@goldgroupmining.com). Shareholders may request copies of the Company’s financial statements and MD&A by contacting the Corporate Secretary at 604-682-1943.

#### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

## **APPROVAL AND SIGNATURE**

The contents of this Information Circular and the sending of it to each Shareholder entitled to receive notice of the Meeting, to each director of the Company, to the auditor of the Company, and to the appropriate regulatory agencies has been authorized, by the Board.

### **ON BEHALF OF THE BOARD**

(Signed) "Keith Piggott"

Keith Piggott

Chairman, CEO & President

## Schedule “A”

### GOLDGROUP MINING INC.

#### STOCK OPTION PLAN

July 11, 2018

**Purpose.** The purpose of this Plan is to provide incentives to attract, retain and motivate Eligible Persons and to align the interests of such persons with those of shareholders of the Company by providing them an opportunity to participate in the Company’s future performance through awards of Options.

#### ARTICLE I INTERPRETATION

**Definitions and Interpretation.** As used in this Plan, the following words and terms will have the following meanings:

- (a) **“Board”** means the board of directors of the Company;
- (b) **“Change of Control”** means:
  - (i) the acquisition, whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the *Securities Act* (British Columbia) and the rules and regulations thereunder) of voting securities of the Company which, together with any other voting securities of the Company held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Company;
  - (ii) an amalgamation, arrangement or other form of business combination of the Company with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Company (including a merged or successor company) resulting from the business combination; or
  - (iii) the sale, lease or exchange of all or substantially all of the property of the Company to another person, other than a subsidiary of the Company or other than in the ordinary course of business of the Company;
- (c) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (d) **“Committee”** means the Compensation Committee, or any other Committee of the Board, appointed by the Board from time to time to administer this Plan, or if no such committee is appointed, the Board;
- (e) **“Company”** means Goldgroup Mining Inc. or any successor corporation;
- (f) **“Disability”** means the mental or physical state of an individual such that:
  - (i) the Board, other than such individual, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6-month period or for any period of 8 months (whether or not consecutive) in any consecutive 12-month period; or
  - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs;
- (g) **“Effective Date”** means July 11, 2018;
- (h) **“Eligible Person”** means any person providing continuous services to the Company and who is:
  - (i) a full-time employee or independent contractor of the Company or any of its subsidiaries or a part-time employee or independent contractor of the Company or any of its subsidiaries; or

- (ii) a consultant to the Company or any of its subsidiaries in respect of whom the Company is permitted to grant Options under applicable law and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or the issuance of the Options; or
  - (iii) a director, including an Outside Director, of the Company or any of its subsidiaries;
- (i) **“Exercise Agreement”** has the meaning ascribed thereto in section 2.3(g);
- (j) **“Exercise Period”** means the period of time during which a particular Option may be exercised;
- (k) **“Exercise Price”** means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option;
- (l) **“Expiry Date”** means the expiry date of an Option as determined by the Committee in accordance with the terms and conditions of this Plan, subject to the time limits and any “black out” or similar periods as provided in section 2.3(e) to this Plan;
- (m) **“Expiry Time”** means 4:30 p.m. (Vancouver time) on the Expiry Date;
- (n) **“Incentive Stock Option”** means an Option granted to a U.S. Participant that is intended to qualify as an “incentive stock option” within the meaning of section 422 of the Code;
- (o) **“Market Price”** means, as of any date, the value of the Shares, determined as follows:
  - (i) if the Shares are listed on the TSX, the Market Price shall be the closing price of the Shares on the TSX for the last market trading day prior to the date of the grant of the Option;
  - (ii) if the Shares are listed on the TSX-V, the Market Price shall be the closing price of the Shares on the TSX-V for the last market trading day prior to the date of the grant of the Option less any discount permitted by the TSX-V;
  - (iii) if the Shares are listed on a stock exchange other than the TSX-V, the Market Price shall be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the Option; and
  - (iv) if the Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Committee;
- (p) **“Nonqualified Stock Option”** means an Option granted to a U.S. Participant that is not an Incentive Stock Option;
- (q) **“Option”** means an award of an option to purchase Shares hereunder;
- (r) **“Outside Director”** means every director of the Company who is not a full-time employee of, or consultant to, the Company or any of its subsidiaries;
- (s) **“Participant”** means every Eligible Person who is approved for participation in the Plan by the Committee;
- (t) **“Plan”** means this Stock Option Plan, as the same may be amended from time to time;
- (u) **“Shares”** means the common shares in the capital of the Company;
- (v) **“subsidiary”** means a subsidiary of the Company as defined in the *Securities Act* (British Columbia);
- (w) **“Stock Option Certificate”** means the certificate evidencing the award of an Option, substantially in the form of Exhibit A attached hereto;
- (x) **“Termination”** or **“Terminated”** means for the purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide continuous services as an employee, independent contractor, consultant, officer, director or Outside Director to the Company. Notwithstanding the foregoing, an employee will not be deemed to have ceased to provide services in the case of:

- (i) sick leave; or
- (ii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing.

Notwithstanding anything to the contrary, the Committee will have sole discretion to determine whether a Participant has ceased to provide continuous services to the Company and the effective date on which the Participant ceased to provide services (the “**Termination Date**”);

- (y) “**TSX**” means the Toronto Stock Exchange;
- (z) “**TSX-V**” means the TSX Venture Exchange;
- (aa) “**U.S. Participant**” means an Eligible Person who is a U.S. citizen or a U.S. resident, in each case as defined in the Code or is otherwise subject to U.S. federal income tax;
- (bb) “**Withholding Obligations**” has the meaning ascribed thereto in Section 7.3.; and
- (cc) “**10% Shareholder**” means a person who owns (taking into account the constructive ownership rules under section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company (or of any subsidiary of the Company).

## **ARTICLE II GRANT OF OPTIONS**

### **2.1 Number of Shares Available.** Subject to section 2.2 and Article 6,

- (a) the total number of Shares reserved and available for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security-based compensation agreement of the Company) shall not exceed 10% of the issued and outstanding Shares of the Company on a non-diluted basis from time to time.
- (b) the number of Shares reserved for issuance pursuant to this Plan (together with those Shares which may be issued pursuant to any other security-based compensation agreement of the Company or options for services granted by the Company) to any one person shall not exceed 5% of the Shares outstanding on a non-diluted basis on the date of grant;
- (c) the number of securities issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company; and
- (d) The number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.

Subject to section 2.2 and Article 6, any unissued Shares in respect of which Options are granted which cease to be issuable under such Option for any reason (other than exercise of such Option), including without limitation expiry of the Option or surrender of the Option pursuant to an option exchange program, will again be available for grant and issuance in connection with future Options granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding Options granted under this Plan.

### **2.2 Adjustment of Shares.** In the event that the number of outstanding Shares is changed by a stock dividend, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

- (a) the number of Shares reserved for issuance under the Plan;
- (b) the number of Shares subject to outstanding Options; and
- (c) the Exercise Price of outstanding Options,

will be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and in compliance with applicable securities laws; provided, however, that fractions of a Share will not be issuable under any Options and any such fractions will be rounded down to the nearest Share.

**2.3 Options.** The Committee may grant Options to Eligible Persons and will determine the number of Shares subject to the Option, the Exercise Price, the Expiry Date and all other terms and conditions of the Option, subject to the following:

- (a) **Plan and Exercise of Options Subject to Shareholder Approval.** Until such time as this Plan has been approved by the shareholders of the Company in accordance with the requirements of the TSX, no Options granted under this Plan may be exercised;
- (b) **Form of Option Grant.** Each Option granted under this Plan will be evidenced by a stock option certificate in the form attached to this Plan as Exhibit A in the case of grants to Participants or Exhibit B in the case of grants to U.S. Participants, or in such other form as may be approved by the Committee, from time to time (called the “**Stock Option Certificate**”) which will contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan;
- (c) **Date of Grant.** The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Certificate and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option;
- (d) **Vesting and Exercise of Options.** Provided the Participant has not been Terminated, Options may be exercisable until the Expiry Date determined by the Committee and specified in the Stock Option Certificate. The Committee also may provide for Options to vest (i.e. become exercisable) at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines. If the application of vesting causes the Option to become exercisable with respect to a fractional Share, such Share shall be rounded down to the nearest whole Share;
- (e) **Expiry.** The Option shall expire on the Expiry Date set forth in the Stock Option Certificate and must be exercised, if at all, on or before the expiry date. In no event shall an Option be exercisable during a period extending more than ten years after the date of grant, provided that in the circumstance where the end of the term of an Option falls within, or within ten business days after the end of, a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the blackout period has ended, the Expiry Date;
- (f) **Exercise Price.** The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Market Price of the Shares on the date of grant;
- (g) **Method of Exercise.** Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the “**Exercise Agreement**”) substantially in the form attached to this Plan as Exhibit C, or in such other form as may be approved by the Committee (which need not be the same for each Participant), stating the Participant’s election to exercise the Option, the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant’s investment intent, access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price (plus any applicable taxes including Withholding Obligations), for the number of Shares being purchased. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable securities laws and the rules and policies of the TSX or any other stock exchange or quotation system upon which the Shares are then listed or quoted, as they are then in effect on the date of exercise, and provided that no blackout period is then in effect under the Insider Trading Policy of the Company;

- (h) **Termination of Option.** Subject to earlier termination pursuant to Article IV hereof, any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. Notwithstanding any other provisions hereof but subject to any vesting requirements or termination provisions attached to specific Options granted under the Plan, upon the Termination of a Participant, the following provisions shall apply:
- (i) in the case of dismissal without cause, each vested Option held by a Participant shall be exercisable until the date which is the earlier of:
    - (A) 60 days after the Termination Date; and
    - (B) the Expiry Date for such Options,after which time all vested and unvested Options shall be void and of no further force or effect;
  - (ii) in the case of dismissal for cause, each vested and unvested Option held by the Participant shall be void and of no further force or effect on the Termination Date;
  - (iii) in the case of Termination as a result of death, each vested Option held by the deceased Participant shall be exercisable until the date which is the earlier of:
    - (A) twelve months after the Termination Date; and
    - (B) the Expiry Date for such Options,after which time such Options shall be void and of no further force or effect;
  - (iv) in the case of Termination for any reason other than as provided in paragraphs (i), (ii) and (iii) of this section, unless specifically determined otherwise by the Committee, each vested Option held by the Participant shall be exercisable until the date which is the earlier of:
    - (A) 60 days after the Termination Date; and
    - (B) the Expiry Date for such Options,after which time such Options shall be void and of no further force or effect;
- (i) **Termination following a Change of Control.** Except as otherwise specified in the Stock Option Certificate for a specific Option, if a Participant is Terminated within 12 months of a Change of Control for any reason other than for cause, voluntary resignation, death or Disability, each Option held by that Participant that is not fully vested on the date on which the Participant is Terminated shall vest immediately and any and all Options held by that Participant shall be immediately exercisable up to, but not after, the date which is the earlier of the Expiry Date and 60 days after the date such person is Terminated;
- (j) **Limitations on Exercise.** The Committee may specify a reasonable minimum number of Shares that may be purchased on exercise of an Option, provided that such minimum number will not prevent the Participant from exercising the Option for the full number of Shares for which it is then exercisable;
- (k) **Modification, Extension or Renewal.** Subject to Article III hereof and applicable laws, rules and regulations (including, without limitation, the rules of any applicable stock exchange or quotation system), the Committee may modify, extend or renew outstanding Options, may modify vesting periods so that any such stock options, whether vested or unvested, may have an amended vesting schedule or may immediately vest and become exercisable, and may authorize the grant of new Options in exchange therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted; and
- (l) **Exclusion from Severance Allowance, Retirement or Termination Settlement.** In the event of a Participant's Termination for any reason, the curtailment of such Participant's Options pursuant to the terms of the Plan, shall not give rise to any right to damages (including damages relating to any period of reasonable notice and regardless of whether reasonable or any notice was provided to the Participant) and shall not be included in the calculation of, nor form any part of, any severance allowance, retiring allowance or termination settlement of any kind whatever in respect of such Participant.

**2.4 Issuance of Shares.** Subject to applicable securities laws and any blackout period in effect under the Company's insider trading policy then in effect, and provided that the Exercise Agreement and payment are in form and substance satisfactory to the Company, the Company shall issue the Shares registered in the name of the Participant, the Participant's legal representative or other person as directed by the Participant and shall deliver certificates representing the Shares with the appropriate legends affixed thereto, as the case may be.

### **ARTICLE III OPTIONS GRANTED TO U.S. PARTICIPANTS**

**3.1 Number of Shares for Incentive Stock Options.** Notwithstanding any other provision of this Plan to the contrary (including, but not limited to, Section 2.1), the number of Shares available for granting Incentive Stock Options to U.S. Participants under the Plan may not exceed 10% of the issued and outstanding Shares of the Company on a non-diluted basis as of the later of: (i) the date this Plan is initially adopted by the Board of Directors or (ii) the date the Plan is approved (or reapproved) by the shareholders of the Company, subject to adjustment in accordance with Section 2.2.

**3.2 Designation of Options.** The Stock Option Certificate relating to any Option granted to a U.S. Participant shall specify whether such Option is an Incentive Stock Option or a Nonqualified Stock Option. If no such specification is made, the Option will be designated an Incentive Stock Option if all of the requirements under the Code are satisfied or in all other cases, a Nonqualified Stock Option. In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to any Nonqualified Stock Option granted to a U.S. Participant:

- (a) The Exercise Price of a Nonqualified Stock Option granted to a U.S. Participant shall not be less than the Market Price of the Shares on the date of grant, without reduction for any discount permitted by the TSX-V;
- (b) With respect to any tolling of the Expiry Date of a Nonqualified Stock Option in accordance with Section 2.3(e) of the Plan due to a "black out" or similar period imposed under any insider trading policy or similar policy of the Company, such policy must be reasonably designed to ensure compliance with applicable securities laws or rules of the Exchanges.

**3.3 Special Requirements for Incentive Stock Options.** In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to an Incentive Stock Option:

- (a) an Incentive Stock Option may be granted only to employees (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company within the meaning of section 424 of the Code). For purposes of this Article III, the term "employee" shall mean a person who is an employee for purposes of the Code;
- (b) the Board will not grant Incentive Stock Options in which the aggregate Market Price (determined as of the date of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a U.S. Participant during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company within the meaning of section 424 of the Code) exceeds any limitation set forth in section 422(d) of the Code;
- (c) the exercise price payable per Share upon exercise of an Incentive Stock Option will not be less than 100% of the Market Price (without reduction for any discount permitted by the TSX-V) of a Share on the date of grant of such Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, the exercise price payable per Share upon exercise of such Incentive Stock Option will be not less than 110% of the Market Price (without reduction for any discount permitted by the TSX) of a Share on the date of grant of such Incentive Stock Option;
- (d) an Incentive Stock Option will terminate and no longer be exercisable no later than 10 years after the date of grant of such Incentive Stock Option; provided, however, that in the case of a grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, such Incentive Stock Option will terminate and no longer be exercisable no later than 5 years after the date of grant of such Incentive Stock Option;



- (e) if a U.S. Participant who has been granted Incentive Stock Option ceases to be employed by the Company (or by a parent or subsidiary of the Company within the meaning of section 424 of the Code) for any reason, whether voluntary or involuntary, other than death, permanent disability or just cause, such Incentive Stock Option shall be exercisable by the U.S. Participant (to the extent such Incentive Stock Option was vested on the date of cessation of employment) at any time prior to the earlier of (i) the date that is 60 days after the date of cessation of employment or (ii) the expiration of the term of such Incentive Stock Option. In this paragraph, “permanent disability” is as defined in section 22(e)(3) of the Code. If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company within the meaning of section 424 of the Code) because of the death or a permanent disability of such U.S. Participant, such U.S. Participant’s personal representatives or administrators, or any person or persons to whom such Incentive Stock Option is transferred by will or the applicable laws of descent and distribution, may exercise such Incentive Stock Option (to the extent such Incentive Stock Option was exercisable on the date of death or permanent disability, as the case may be) at any time prior to the earlier of (i) the date that is twelve months after the date of death or 60 days after the date of permanent disability, as the case may be, or (ii) the expiration of the term of such Incentive Stock Option. If a U.S. Participant who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company within the meaning of section 424 of the Code) for cause, the right to exercise such Incentive Stock Option will terminate on the date of cessation of employment, unless otherwise determined by the Board. In this paragraph, “permanent disability” has the meaning assigned to that term in section 22(e)(3) of the Code;
- (f) an Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant’s lifetime only by such U.S. Participant; and
- (g) an Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned or pledged by such U.S. Participant, except by will or by the laws of descent and distribution.

#### **ARTICLE IV ADMINISTRATION**

**4.1 Committee Authority.** This Plan will be administered by the Committee. Subject to the general purposes, terms and conditions of this Plan, applicable securities laws and rules and policies of any exchange or quotation system upon which the Shares are listed or quoted, and to the direction of the Board, the Committee will have full discretionary power to implement and carry out this Plan including, without limitation, the authority to:

- (a) construe and interpret this Plan, any Stock Option Certificate and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan;
- (c) select Eligible Persons to receive Options;
- (d) determine the form and terms of Options and Stock Option Certificates, provided that they are not inconsistent with the terms of the Plan;
- (e) determine the Exercise Price of an Option;
- (f) determine the number of Shares to be covered by each Option;
- (g) determine whether Options will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (h) grant waivers of Option conditions or amend or modify each Option, provided that they are not inconsistent with the terms of this Plan;
- (i) determine the vesting, exercisability and Expiry Dates of Options;
- (j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Certificate or any Exercise Agreement; and
- (k) make all other determinations necessary or advisable for the administration of this Plan.

**4.2 Committee Discretion.** Any determination made by the Committee with respect to any Option will be made in its sole discretion at the time of grant of the Option or, unless in contravention of any express term of this Plan or Option, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Option under this Plan.

**ARTICLE V  
RIGHTS OF OWNERSHIP**

**5.1 No Rights of a Shareholder.** No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are actually issued pursuant to a treasury order or other evidence issued by the Company.

**5.2 Transferability.** Options granted under this Plan, and any interest therein, will not be transferable or assignable by a Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the operation of law. During the lifetime of the Participant, an Option will be exercisable only by the Participant. The terms of the Option shall be binding upon the executors, administrators and heirs of the Participant.

**ARTICLE VI  
CORPORATE TRANSACTIONS**

**6.1 Change of Control.** In the event of a Change of Control (refer to Article 1.1 (b) any or all outstanding Options may be surrendered to the Company (the "Surrender Notice") by sending written notice to the Company indicating the intention to surrender such Options. Upon receipt of the Surrender Notice by the Company, the Company will pay to the holder of such surrendered options (the "Surrendering Holder"), an amount (the "Settlement Amount") equal to the excess, if any, of (A) the aggregate fair market value of the Shares issuable upon exercise of the vested and surrendered Options on the date the notice of surrender is received by the Corporation (the "Surrender Date"), being the Market Price multiplied by the number of Shares able to be purchased pursuant to the vested and surrendered Options on the Surrender Date, over (B) the aggregate exercise price for the Common Shares issuable upon exercise of the vested and Surrendered Options.

The Settlement Amount is payable in Shares or in cash at the option of the holder of the Surrendering Holder, and subject to approval by the Board. Entitlements to fractional Shares will be rounded down to the next whole number of Shares. The Corporation will withhold from the Settlement Amount such amounts as may be required to be withheld according to law. For greater certainty, those Shares underlying the unexercised Options that are the subject of surrender in consideration for a Settlement Amount, shall not be deemed to be included in total number of Options which may be granted under the Plan.

**6.2 Dissolution or Liquidation.** In the event of the proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action. The Committee may, in the exercise of its sole discretion in such instances, declare that any Option shall terminate as of a date fixed by the Committee and give each Participant the right to exercise his or her Option as to all or any part of the Shares that may be acquired upon exercise of the Options, including Shares as to which the Option would not otherwise be exercisable.

**6.3 Assumption of Options by the Company.** The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

**ARTICLE VII  
GENERAL**

**7.1 No Obligation to Employ.** Nothing in this Plan or any Option granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate Participant's employment or other relationship at any time, with or without cause. Neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period in which an Eligible Person is providing continuous services for the purposes of the Plan.

**7.2 [Intentionally Deleted]**

**7.3 Canadian Tax Withholding.** The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, (a) requiring a Participant as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Participant to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations; or (b) selling on the Participant's behalf, or requiring the Participant to sell, any Shares acquired by the Participant under the Plan, or retaining any amount which would otherwise be payable to the Participant in connection with any such sale.

**7.4 U.S. Tax Withholding.** In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable U.S. federal or state payroll, withholding, income or other taxes that are the sole and absolute responsibility of a U.S. Participant are withheld or collected from such U.S. Participant. For the purposes of assisting a U.S. Participant in paying all or a portion of the U.S. federal and state taxes to be withheld or collected upon exercise of an Option, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit a U.S. Participant, subject to applicable laws, to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise of such Option having a Market Price equal to the amount of such taxes or (b) delivering to the Company Shares (other than Shares issuable upon exercise of such Option) having a Market Price equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

**7.5 Governing Law.** This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

**7.6 Termination and Amendment of Plan.** The Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Plan or any Option granted under the Plan, including, without limiting the generality of the foregoing, changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Plan, and changes regarding the vesting of Options, provided, however that:

- (a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Shares are listed;
- (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an optionee with respect to any then outstanding Option, as determined by the Board acting in good faith, without his or her consent in writing;
- (c) the Board shall obtain shareholder approval of the following:
  - (i) any amendment to the maximum number of Shares specified in section 2.1 in respect of which Options may be granted under the Plan (other than pursuant to section 2.2);
  - (ii) any amendment that would reduce the exercise price of an outstanding Option held by an insider (other than pursuant to section 2.2);
  - (iii) any amendment that would extend the term of any Option granted under the Plan beyond the Expiry Date, if that extension would benefit an insider of the Company;
  - (iv) any cancellation and re-issue of Options;
  - (v) any amendment which would permit Options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and
  - (vi) any amendment to this subsection 7.6(c).

**7.7 Powers of the Board Following Termination of the Plan.** If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

**7.8 Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to such Participant at the address indicated in the Stock Option Certificate or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three business days after deposit in the mail by certified or registered mail (return receipt requested); one business day after deposit with any return receipt express courier (prepaid); or one business day after transmission by confirmed facsimile or electronic mail.

**7.9 Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company.

**7.10 Nonexclusively of the Plan.** Neither the adoption of this Plan by the Board nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**7.11 Section 409A of the Code.** Notwithstanding any provision of this Plan to the contrary, if any provision of this Plan contravenes any regulations or guidance promulgated under section 409A of the Code or would cause any person to be subject to additional taxes, interest and/or penalties under section 409A of the Code, such provision of this Plan, the Options and the Stock Option Certificates may be modified by the Board without notice to or consent of the Participant in any manner the Board deems reasonable or appropriate.

\* \* \* \*

APPROVED BY THE BOARD: June 6, 2018  
[APPROVED BY THE SHAREHOLDERS: July 11, 2018]

**EXHIBIT A**

**Goldgroup Mining Inc.  
Stock Option Certificate**

The Company hereby grants to the Participant named below, the following Options to acquire common shares (“**Shares**”) of the Company on the terms and conditions of the Company’s Stock Option Plan (the “**Plan**”) and on the terms outlined below:

Participant’s Name:
Address:
Total Shares:
Exercise Price Per Share:
Date of Grant:
Expiry Date:
Terms of Vesting:
Other:

Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Shares. Participant acknowledges that he/she is not relying on the Company for any tax advice.

This Stock Option Certificate is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of the Stock Option Certificate and the Plan, the terms of the Plan shall govern.

Note: Until such time as this Plan is approved by the shareholders of the Company in accordance with the requirements of the TSX, which approval shall be sought at or prior to the 2018 annual meeting of the Company’s shareholders, the Options granted hereunder may not be exercised.

If you agree to accept the Options described above, subject to all of the terms and conditions of the Plan, please sign one copy of this letter and return it to \_\_\_\_\_ by \_\_\_\_\_.

**GOLDGROUP MINING INC.**

By: \_\_\_\_\_  
Authorized Signatory

I have received a copy of the Plan and agree to comply with and agree that my participation is subject in all respects to, its terms and conditions.

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

**EXHIBIT B**

**Goldgroup Mining Inc.  
U.S. Stock Option Certificate**

The Company hereby grants to the Participant named below, the following Options to acquire common shares (“Shares”) of the Company on the terms and conditions of the Company’s Stock Option Plan (the “Plan”) and on the terms outlined below:

<b>Participant’s Name:</b>
<b>Address:</b>
<b>Total Shares:</b>
<b>Exercise Price Per Share:</b>
<b>Date of Grant:</b>
<b>Expiry Date:</b>
<b>Terms of Vesting:</b>
<b>Type of Option (Incentive Stock Option or Qualified Stock Option)<sup>(1)</sup>:</b>
<b>Notes:</b> <b>(1) The number of Incentive Stock Options shall be calculated in accordance with (a) below.</b>

Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Shares. Participant acknowledges that he/she is not relying on the Company for any tax advice.

If the Option is designated as an “Incentive Stock Option” as that term is defined in section 422 of the Code, you acknowledge that:

- (a) notwithstanding the designation of the Option as an Incentive Stock Option, to the extent that the aggregate Market Price, determined as of the date such Option was granted, of the Shares issuable on exercise of the Option which are exercisable for the first time by you during any calendar year exceeds US\$100,000, such excess Option shall not be treated as an Incentive Stock Option and will be Non-Qualified Stock Options; and
- (b) in order for the Option to be treated as an Incentive Stock Option:
  - (i) Shares purchased on the exercise of an Option must not be sold or otherwise disposed of before the later of 2 years from the date the Option was granted, or 1 year from the date the Option was exercised; and

- (ii) If your employment with the Company terminates for any reason other than death as provided in (iii), you must maintain your status as an employee of the Company at all times during the period beginning on the date the Option is granted and ending 60 days before the date an Option is exercised; and
- (iii) If you die while employed with the Company, your Option must be exercised within 12 months after the date of death;

and if the conditions in (A) and (B) above are not met, then preferential tax treatment under the Internal Revenue Code for Incentive Stock Options will not be available.

This Stock Option Certificate is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of the Stock Option Certificate and the Plan, the terms of the Plan shall govern.

Note: Until such time as this Plan is approved by the shareholders of the Company in accordance with the requirements of the TSX, which approval shall be sought at or prior to the 2018 annual meeting of the Company's shareholders, the Options granted hereunder may not be exercised.

If you agree to accept the Options described above, subject to all of the terms and conditions of the Plan, please sign one copy of this letter and return it to \_\_\_\_\_ by \_\_\_\_\_.

**GOLDGROUP MINING INC.**

By: \_\_\_\_\_  
Authorized Signatory

I have received a copy of the Plan and agree to comply with, and agree that my participation is subject in all respects to, its terms and conditions.

\_\_\_\_\_  
Name of Participant

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

**EXHIBIT C**

**GOLDGROUP MINING INC.**

**NOTICE OF EXERCISE OF STOCK OPTIONS**

**UNDER THE STOCK OPTION PLAN**

TO: Goldgroup Mining Inc. (the "Company")

FROM: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: Exercise of Stock Options

I hereby exercise my Options to purchase \_\_\_\_\_ Shares for an Exercise Price of \$\_\_\_\_\_ per Share (total aggregate Exercise Price of \$\_\_\_\_\_), effective today's date, in accordance with the terms of my attached Stock Option Certificate.

I hereby:

(a) enclose a certified cheque payable to Goldgroup Mining Inc. for the aggregate Exercise Price plus the amount of the estimated Withholding Obligation and I agree that I will pay the Company for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; or

(b) advise the Company that \_\_\_\_\_ [Name of Brokerage Firm] (the "Broker") will pay the Company the amount equal to the aggregate of the Exercise Price and the estimated Withholding Obligation in respect of the above Options (the "Payment"). Such Payment will be made by certified cheque, bank draft or wire transfer of immediately available funds, in exchange for certificates (the "Certificates") representing such number of Shares to be issued upon due exercise of the above Options, that have been sold by the Broker for my account. I hereby direct you to deliver the applicable Certificates upon receipt of Payment.

Please prepare the Shares certificates, if any, issuable in connection with this exercise in the following name(s):

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Print or type name:

Letter and consideration/direction received on \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_



**SCHEDULE "B"**

**2018 OPTION PLAN RESOLUTION**

**"BE IT RESOLVED THAT:**

1. the 2018 Option Plan in substantially the form contained in the Management Information Circular which conforms with the rules and policies of the TSX, as applicable, be and is hereby approved and adopted;
2. the number of Common Shares issuable pursuant to the 2018 Option Plan be set at 10% of the outstanding issued Common Shares from time to time, subject to any limitations imposed by applicable regulations, laws, rules and regulations;
3. the Board may grant options under the 2018 Option Plan until July 11, 2021;
4. the Board is authorized on behalf of the Corporation to make any further amendments to the 2018 Option Plan as may be required by applicable regulatory authorities, without requiring further approval of the Shareholders, in order to ensure adoption of the 2018 Option Plan;
5. the Corporation is authorized to file the 2018 Option Plan with the TSX for acceptance, and the implementation of the 2018 Option Plan is subject to the receipt of such approval; and
6. any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

**SCHEDULE "C"**

**RATIFICATION OF GRANTED STOCK OPTIONS RESOLUTION**

**"BE IT RESOLVED THAT:**

1. the 2,740,000 stock options granted by the Corporation on January 23, 2018 (as described in the Management Information Circular), and the issuance of shares in the Corporation upon any exercise thereof by option holders in accordance with the terms of those stock options, be and are hereby ratified, authorized and approved; and
2. any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."