



SHAREHOLDER UPDATE

January 14, 2008

The year 2007 was one of growth and execution for Goldgroup. Our strong management team was bolstered by the addition of top-notch individuals who bring industry-wide reputations for success, knowledge and integrity. Exploration programs were aggressively pursued, particularly at our high-grade San Jose de Gracia gold project in the Sierra Madre gold belt, where we are currently spending US\$400,000 per month on diamond drilling with two drills operating. Looking ahead, we expect to continue to receive assay results from this exploration program at San Jose de Gracia. We are also advancing the metallurgy of our El Porvenir Project acquired from Goldcorp Inc. with a view to putting this project into production. We will continue preliminary exploration of the El Candelero property, also recently acquired from Goldcorp, and begin preliminary exploration of our large Mexican property called Kenya.

As you can see, we are currently entirely focused on gold in Mexico, which we believe is one of the world's best mining jurisdictions. All of our projects are geared to expanding gold ore resources and bringing those resources to production so that our in-ground ounces will have a higher unit value.

In the new year our professional staff on the ground in Mexico will consist of 15 mining professionals. Keith Piggott, our CEO, and Kevin Sullivan, our Vice-President, Exploration, lead a team of eleven professional geologists, one mining engineer and one metallurgist.

We are pleased to report that that we are in a very strong financial position. The Company raised \$17,170,000 (all CDN \$ unless noted otherwise) in its last financing through the issuance of 13,736,000 shares at \$1.25 per share. The total amount raised to-date is \$22,170,750, net of share issuance costs. At December 31, 2007 we had 36,732,637 common shares issued and outstanding. We do not have any dilutive securities issued or authorized, so this figure is fully-diluted.

We currently have \$16,500,000 in cash and short-term GIC deposits. Since the Company's inception in June, 2005, our major expenditures have been \$3,600,000 (US \$3,350,000) in exploration costs on our San Jose de Gracia project, option payments of \$1,035,000 (US \$1,000,000) to Goldcorp on our El Porvenir project, other project expenditures of \$523,000 and administration and general expenses of \$512,000 net of interest income.



Given our quality properties, professional staff and strong financial position, we are confident that Goldgroup is on track to becoming a significant gold producer. With respect to a public listing, given our successful financings, strong projects and an upward-trending gold price, we believe we are now very well positioned. In that connection we are finalizing our 43-101 report on El Porvenir and completing a financial audit, which are obviously conditions of a public listing. Discussions with brokerage firms regarding an IPO are ongoing. Interest appears to be strong. With a view to maximizing shareholder value, we are also concurrently exploring merger possibilities with listed junior Mexican gold producers.

Properties

While our focus remains on our current properties, we are actively seeking additional strategic and prospective assets that match our strategy, particularly production or near-term gold production opportunities in Mexico. Currently, we maintain interests in four properties:

1. San Jose de Gracia

On September 1, 2006 we entered into an agreement granting us the right to earn up to a 50% interest in San Jose de Gracia, subject to Goldgroup funding US\$18 million of phased exploration and development work on the project phased over four and a half years. We believe that San Jose de Gracia, located in Sinaloa State in the Sierra Madre gold belt, has the potential to become a world class multi-million ounce gold mine. The San Jose de Gracia claims total 65,000 hectares or 650 square kilometers.

We have five geologists and two diamond drills on site. The on-site team is led by our senior project geologist, Omar Felix.

Over 800 samples have been analyzed on the PIMA clay analyzer and the results are being assessed. A structural geological study has also been completed. Based on our extensive rock chip geochemistry, PIMA analysis, structural geology, geophysics and diamond drilling, we are developing a geological model for the ore controls. This model suggests that we have a large underlying intrusive which is probably domal in structure. Flanking this are a number of high gold grade inclined ore shoots or "clavos". Initial indications are that these clavos have the potential to host ~250,000 ozs. Au per clavo. It also appears that these flanking clavos are in more than one horizon of ore deposition.

Our team has completed a 30-element rock geochemistry sampling program which indicates that several elements, including gold, show anomalies, some of them quite subtle. These anomalies suggest the existence of extensions to previously identified



target zones. Our sampling program has therefore been significantly broadened and further geophysics is planned.

Of note is a recent Mexican government stream geochemistry program which suggests an anomalous gold area 20kms long and 3kms wide surrounding our current target zones but within our claims. From the government's results we can infer a likelihood of additional intrusives within our claims.

We have completed 40 diamond drill holes since our work at San Jose de Gracia began in early 2007. See the *Table of Selected 2007 San Jose de Gracia Exploration Results* below. Drilling has concentrated on two areas, San Pablo and Purisima. In the January to June 2007 drilling program, significant holes were **6.1m of 26.89g Au/t, 4.2m of 10.33g Au/t and 5.0m of 9.25 Au/t**. At San Pablo we have recent results from 5 new holes, including, in separate holes, **6.05m of 13.59g Au/t, 4.1m of 16.82g Au/t, 1.4m of 9.56g Au/t**. The other two holes intercepted structure but low grade at the margin of the clavos. At Purisima we conducted follow-up drilling of areas that showed serious potential in our last program (January to June 2007). These holes included **3.25m of 10.89g Au/t**, and although the others have not intercepted high grade mineralisation, they have aided in our understanding of the control of the mineralization. The drilling at Purisima has now been modified in light of this understanding to target other clavos.

Table of Selected 2007 San Jose de Gracia Exploration Results

January – June 2007 Drilling		
Description	Width	Au (g/t)
SJG-07-02	0.75m	16.9
SJG-07-07	5.0m	9.25
SJG-07-08	3.8m	4.77
SJG-07-09	2.1m	7.20
SJG-07-09	3.15m	8.33
SJG-07-12	4.2m	10.33
SJG-07-17	4.35m	3.09
SJG-07-21	6.1m	26.89
September – November 2007 Drilling		
Description	Width	Au (g/t)
SJG-07-23	1.4m	9.56
SJG-07-26	4.1m	16.82
SJG-07-27	6.05m	13.59
SJG-07-39	3.25m	10.89

Note: Due to a backlog at the Registered Laboratory the assay results for 6 drill holes between SJG-07-27 to SJG-07-39 are pending.



2. El Porvenir

On February 27, 2007 we entered into an agreement with Desarrollos, a subsidiary of Goldcorp, to acquire 100% of its El Porvenir mine for payments of \$3m over two years. Considering this project contains almost 500,000 ounces of Au equivalent (a cost of approximately \$6 per oz.) plus substantial hard mining assets, we felt it was a very good acquisition for Goldgroup. We believe El Porvenir has the potential to produce 45-50,000 oz Au per year. It is located in Aguascalientes, Mexico.

Our 43-101 on the project is nearly complete and is expected early in 2008. It has taken longer than expected due to this being an advanced stage mining project. Prior metallurgical studies by Goldcorp and Hecla indicate that heap leaching at minus 1/2 inch crush size will give recoveries of 65% of the Au and 20% of the Ag. While this is economic at current gold prices, it does not maximize the deposit's potential. Therefore we have completed some initial bottle roll testing which has shown recoveries in excess of 90% of Au and 70% of the Ag. This suggests that the higher grade core of the deposit should be treated through a small plant with the lower grade peripheral ore being treated by heap leach. Consultant metallurgists have been retained to further this work and to design the recovery circuit. In addition a senior geologist and mining engineer are being engaged to explore the general area for additional resources and to initialize mining and layout plans.

3. El Candelero

On May 31, 2007 we acquired the option to earn up to a 70% interest in the El Candelero project from Luismin, also a subsidiary of Goldcorp, by spending an aggregate of \$1.5 million over five years. Luismin can then earn back 30% by spending \$3 million over three years. If Luismin exercises its back-in it will own 60% and we will own 40%.

In our view El Candelero is a very exciting exploration project as it has the potential for Tayoltita-like mineralization. El Candelero has old workings and vein-style mineralization which resembles Tayoltita's geology. El Candelero is only 7 kilometers west from the nearest workings of the Tayoltita mine and the cross structural trend of higher grade mineralization from Tayoltita is believed to intersect the El Candelero concession area. Goldcorp is currently mining approximately 350,000oz. Au Eq per year at Tayoltita at grades in excess of 6g Au/t and 450g Ag/t. Historic production there is reported to be 23 million ounces Au, Eq with the potential to produce an equal amount in the future.

Goldgroup has engaged a consultant project geologist together with a field geologist to assess the data generated by Goldcorp and to commence field work shortly.



4. Kenya

Finally, we recently acquired a 90% interest in 150,000 hectares or 1,500 square kilometers of prospective land in the Sierra Madre gold belt in Chihuahua. We refer to these claims, collectively, as "Kenya". Kenya is near our San Jose de Gracia project which will enable us to share resources efficiently between the properties.

We are about to commence field work in the Kenya area with two field teams led by geologists. The initial work will be to follow up on a number of satellite imagery anomalies with rock chip geochemistry. Also we will be doing rock chip geochemistry in all areas where there were prior indications of mineral from old mine workings. This will generate target areas where the rock chip geochemistry density will be closed up. From this, initial drilling targets may be indicated.

Please do not hesitate to contact us with any questions or comments. You can reach our office by telephone at 604-682-1943 or by email at info@goldgroupresources.com.

Sincerely,

GOLDGROUP RESOURCES INC.

Gregg Sedun, Chairman

Keith Piggott, CEO

John Sutherland, CFO

Kevin Sullivan, V-P, Exploration

Thomas Lamb, V-P, Corporate