



**INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL AND SPECIAL MEETING  
OF THE SHAREHOLDERS OF  
GOLDGROUP MINING INC.  
TO BE HELD ON  
Wednesday, JUNE 28, 2023**

**Dated as of:**

**May 26, 2023**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Annual General and Special Meeting of the shareholders (the “**Meeting**”) of Goldgroup Mining Inc. (the “**Company**” or “**Goldgroup**”) will be held at Suite 1201, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada on **June 28, 2023 at 10:00 a.m. (PDT)**, for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2022, together with the report of the auditors thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint Davidson & Company LLP as the auditors of the Company and to authorize the directors to fix the auditors’ remuneration;
4. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution approving the conversion of a loan in the amount of US\$2,160,000 into Common Shares of the Company, as more fully described in the accompanying management information circular;
5. to consider, and if thought fit, to pass a special resolution in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions approving a Settlement Agreement and Exploitation and Option to Purchase Agreement, as more fully described in the accompanying management information circular; and
6. 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, 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’s discussion and analysis (“**MD&A**”) of the Company for the financial year ended December 31, 2022. Shareholders may 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. The audited consolidated financial statements and MD&A of the Company for the financial year ended December 31, 2022 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 10:00 a.m. (PDT) on Monday June 26, 2023, 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 May 19, 2023 as the record date being the date for the determination of the 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 or not 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@goldgroup.com](mailto:abalic@goldgroup.com).

**DATED** at Vancouver, British Columbia this 26th day of May, 2023.

*(Signed) Anthony Balic*  
Chief Executive Officer (interim) and Chief Financial Officer

## INVITATION TO SHAREHOLDERS

May 26, 2023

Dear Shareholder:

On behalf of the board of directors (the ‘**Board of Directors**’), management and employees of Goldgroup Mining Inc. (the ‘**Company**’), you are invited to attend our Annual General and Special Meeting of shareholders of the Company (the ‘**Meeting**’) to be held at 10:00 a.m. (PDT) on June 28, 2023 at Suite 1201, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada. The items of business to be considered at the Meeting are described in the notice of meeting and management information circular accompanying this invitation.

**We encourage you to submit your vote before the Meeting to ensure it is counted, which can easily be done by following the instructions enclosed with the management information circular.** Following the formal portion of the Meeting, management will review the Company’s operation and financial performance during 2022 and provide an outlook on priorities for 2023 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 2023 Annual Information Form dated March 31, 2023, are available on the Company’s website at [www.goldgroupmining.com](http://www.goldgroupmining.com). We encourage you to visit our website 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 website. 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) Anthony Balic*

Chief Executive Officer (interim) and Chief Financial Officer

## VOTING INFORMATION

This management information circular is dated May 26, 2023 and is furnished in connection with the solicitation of proxies by or on behalf of the management of Goldgroup Mining Inc. (“**Goldgroup**” or the “**Company**”) to be used at the Annual General and Special Meeting of Shareholders of Goldgroup (the “**Meeting**”) to be held at Suite 1201, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, Canada on June 28, 2023 at 10:00 a.m. (PDT) for the purposes indicated in the Notice of Annual General and Special Meeting. It is expected that the 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 May 19, 2023.

**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, a proxy form must be dated, completed, signed and deposited with our transfer agent, Computershare Investor Services Inc. (“**Computershare**”): (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., attention: Proxy Department, 100 University Ave., 8th Floor, Toronto, Ontario, Canada, M5J 2Y1; (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 10:00 a.m. (PDT) on June 26, 2023.

**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 were a holder of Common Shares of Goldgroup as of the close of business on May 19, 2023, the record date for the Meeting. Each common share is entitled to one vote. A simple majority of votes cast at the Meeting is required to approve all matters proposed to be approved at the Meeting, other than the proposed Transactions Approval Resolution described in the management information circular which must be passed by votes cast by a majority of the minority shareholders of the Company in person or by proxy at the Meeting.

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

**A.** You will be voting:

1. to elect directors of the Company for the ensuing year;
2. to appoint Davidson & Company LLP as the auditors of the Company and to authorize the directors to fix the auditors’ remuneration;
3. to approve a proposed Debt Conversion Resolution; and
4. to approve a proposed Transactions Approval Resolution.

**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 Meeting and to other matters that may properly come before the Meeting. As of the date of this management information circular, our management knows of no such amendments, variations or other matters 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.

**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 a proxy or a voting form. Carefully follow the instructions accompanying the proxy or voting form to vote your shares.

**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 in person, 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 effectively 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 form. 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:

1. FOR the election of directors set out in the accompanying management information circular;
2. FOR the appointment of Davidson & Company LLP as auditors and the authorization of the directors to fix the auditors' remuneration;
3. FOR the approval of the proposed Debt Conversion Resolution described in the accompanying management information circular; and
4. FOR the approval of the proposed Transactions Approval Resolution described in the accompanying management information circular

**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 persons named in the proxy form, then strike out those 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 the person you appoint is aware of the appointment and will attend the Meeting to vote your shares. 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 persons named must sign the form of proxy. If the shares are registered in the name of your company or a name other than yours, you should submit documentation that proves they 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:
- a) completing and signing a proxy bearing a later date, and delivering it to Computershare as instructed in the proxy form; or
  - b) delivering a written statement revoking your proxy, signed by you or your authorized attorney to:

- (i) 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
- (ii) to the Chair of the Meeting prior to the start of the Meeting.

If you are a non-registered shareholder, please 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 May 26, 2023, there were 28,623,656 Common Shares outstanding. We have no other class or series of voting shares outstanding.

**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

### 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, June 28, 2023, at 10:00 a.m. (PDT), or any adjournment thereof, at Suite 1201, 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 May 26, 2023. This Information Circular, the Notice of Meeting and accompanying form of proxy (“**Proxy**”) are being mailed to shareholders on or about May 30, 2023. In this Information Circular, in addition to the other definitions contained herein, references to (i) “**Common Shares**” means the common shares without par value in the capital of the Company; (ii) “**Registered Shareholders**” means shareholders who hold Common Shares in their own name; (iii) “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name; and (iv) “**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 a nominee of your choice, who need not be a Shareholder, to attend and act on your behalf at the Meeting.

**A Shareholder desiring to appoint a nominee 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 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 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 10:00 a.m. (PST) on June 26, 2023, 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 manner 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 Corry Silbernagel or Anthony Balic, the management nominees, and is received at the offices of Computershare Investor Services Inc., 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, by no later than 10:00 a.m. (PDT) on June 26, 2023 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**



**or other Intermediary 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, RRIFs, 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.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Company is distributing copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to Non-Registered Holders. The Company is not relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting. Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to the Non-Registered Holders.

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).

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary’s directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is not otherwise completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.

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 IN MATTERS TO BE ACTED UPON**

Except as disclosed in this Information Circular, management of the Company is not aware of any material interest of any person that has been a director or executive officer of the Company since the beginning of the last financial year of the Company, any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting.

### ***Record Date and Outstanding Shares***

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is May 19, 2023. Only persons who were Registered Shareholders as of the close of business on May 19, 2023 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 who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the 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 28,623,656 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 Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "GGA".

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Common Shares of the Company.

### **ELECTION OF DIRECTORS**

There are currently five directors on the board of directors of the Company (the "**Board of Directors**" or the "**Board**"), all of whom are standing for re-election as directors of the Company 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 a director's office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Company, each director elected holds office until the next annual meeting or until his successor is appointed.

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 persons 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.

### ***Advance Notice Article***

The Board of Directors has adopted an advance notice article which has been ratified by Shareholders. The advance notice by-law sets forth procedures for any Shareholder who intends to nominate any person for election as a director of the Company other than pursuant to Shareholder rights instilled within the Company's governing statute or through

a Shareholder proposal. The advance notice by-law stipulates a deadline by which a Shareholder must notify the Company of its intention to nominate directors and also sets out the information that a Shareholder must provide regarding each director nominee and the nominating Shareholder in order for the requirements of the advance notice by-law to be met. These requirements are intended to provide all Shareholders with the opportunity to evaluate and review the proposed candidates and vote in an informed and timely manner regarding such nominees. As of the date of this Information Circular, the Company has not received any director nominations in accordance with the requirements of the advance notice articles.

### 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*, *Statement of Director Compensation*, *Statement of Corporate Governance Practices* and *Other Directorships*. Below includes the attendance of each proposed nominee at the Board of Directors meetings and various committee meetings held between January 1, 2022 to December 31, 2022.

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Convertible Securities Held (1)
<b>Corry J. Silbernagel</b>	344,091	325,000 Stock Options
British Columbia, Canada Director since: May 2010 Independent Member of the Board Chair & Member of GNC Chair & Member of AC Member of the CC	Principal Occupation for the Past Five Years: Mr. Silbernagel is Partner of a Vancouver-based private debt and equity fund. Formerly he was a Director of 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 Master of Business Administration from INSEAD in France and a Bachelor’s degree in Applied Science in Civil Engineering from the University of British Columbia.	
	<b>Board of Directors/Committee Membership</b>	<b>Attendance</b>
		<b>%</b>
	Board of Directors	7 of 7
	Audit Committee <sup>(3)</sup>	4 of 4
	Compensation Committee <sup>(4)</sup>	1 of 1
	Governance & Nominating Committee <sup>(5)</sup>	1 of 1
	<b>Number of Stock Options Granted</b>	<b>Exercise Price</b>
		<b>Expiry</b>
	200,000	\$0.35
	125,000	July 27, 2025
		\$0.35
		December 22, 2026
<b>Javier Reyes</b>	1,604,500	325,000 Stock Options
British Columbia, Canada Director since: June 2013 Non-Independent Member of the Board Member of CC Member of GNC	Principal Occupation for the Past Five Years: 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>Board of Directors/Committee Membership</b>	<b>Attendance</b>
		<b>%</b>

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Convertible Securities Held (1)
	Board of Directors Compensation Committee <sup>(4)</sup> Governance & Nominating Committee <sup>(5)</sup>	7 of 7 1 of 1 1 of 1 100% 100% 100%
	<b>Number of Stock Options Granted</b>	<b>Exercise Price</b>
	200,000	\$0.35
	125,000	\$0.35
		<b>Expiry</b>
		July 27, 2025
		December 22, 2026
	<b>Notes:</b>	
	1) Of the 1,604,500 common shares, 758,658 common shares are held by CrediPresto S.A. de C.V. a company of which Mr. Reyes is a principal, 833,330 are held by Antares Capital Management Ltd., a company controlled by Mr. Reyes, and 12,512 are held directly by Mr. Reyes.	
	(2) Of the convertible securities, 325,000 stock options common shares are directly by Mr. Reyes	
<b>Javier Montañó</b>	282,500 <sup>(1)</sup>	45,000 Stock Options
Culiacan, Mexico Director since: June 2015 Independent Member of the Board Member of AC	Principal Occupation for the Past Five Years: Mr. Montañó 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. Montañó 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 Crediavance, 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.	
	<b>Board of Directors/Committee Membership</b>	<b>Attendance</b>
	Board of Director	3 of 7
	Audit Committee <sup>(3)</sup>	2 of 4
		<b>%</b>
		43%
		50%
	<b>Number of Stock Options Granted</b>	<b>Exercise Price</b>
	10,000	\$0.35
	35,000	\$0.35
		<b>Expiry</b>
		July 27, 2025
		December 22, 2026
	<b>Notes:</b>	
	(1) Of the 2,825,000 Common Shares, 200,000 Common Shares are held by Alberto Alejandro Coppel Luken (Javier Montañó is Mr. Luken's investment representative) and 82,000 are held directly by Javier Montañó.	
<b>Anthony Balic</b>	Nil	325,000 Stock Options
British Columbia, Canada Director since: December 2020 <sup>(6)</sup> Non-Independent Member of the Board	Principal Occupation for the Past Five Years: Mr. Balic is currently the Chief Financial Officer and the Corporate Secretary of the Company. Mr. Balic was previously the Director of Finance of Goldgroup from May 1, 2015 to September 1, 2016 where he managed the entire finance and accounting function of the Company. Mr. Balic is the President of Katuni Capital Corp. which provides accounting services to publicly traded companies. Mr. Balic also held the position of Senior Manager at Deloitte LLP. in Vancouver, where he specialized in assurance and advisory for mining companies prior to joining the Company.	
	<b>Board/Committee Membership</b>	<b>Attendance</b>
	Board of Directors	7 of 7
		<b>%</b>
		100%
	<b>Number of Stock Options Granted</b>	<b>Exercise Price</b>
	200,000	\$0.35
	125,000	\$0.35
		<b>Expiry</b>
		July 27, 2025
		December 22, 2026
<b>Blair Jordan</b>	Nil	175,000
British Columbia, Canada Director since: December 2020 <sup>(6)</sup> Independent Member of the Board Member of AC <sup>(7)</sup> Chair of the CC Member of GNC	Principal Occupation for the Past Five Years: Mr. Jordan is currently the Chief Executive Officer of HighMont Advisors Inc., a boutique corporate finance and strategy advisory firm with specific expertise in the industrial, cleantech, technology, transportation, mining, cannabis and biotech/pharma sectors. He was the CFO of HeyBryan Media Inc. from October 2019 to November 2020. Previously, Mr. Jordan was Vice President, Corporate Development, and later CFO and Interim CEO, of Ascent Industries Corp. (January 2018 to April 2019), and Managing Director, Investment Banking at Echelon Wealth Partners Inc. (February 2012 to December 2017).	
	<b>Board of Directors/Committee Membership</b>	<b>Attendance</b>
		<b>%</b>

Name of Director/Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1)	Number of Convertible Securities Held (1)
	Board of Directors	7 of 7
	Audit Committee <sup>(3)</sup>	4 of 4
	Compensation Committee <sup>(4)</sup>	1 of 1
	Governance & Nominating Committee <sup>(5)</sup>	1 of 1
	<b>Number of Stock Options Granted</b>	<b>Exercise Price</b>
	175,000	\$0.35
		<b>Expiry</b>
		December 22, 2026

**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 or from the insider reports available at www.sedi.ca.
- (2) As of May 26, 2023, the current directors of the Company, five (5) in the aggregate, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 2,231,091 Common Shares (excluding stock options granted) or approximately 7.79% of the Common Shares issued and outstanding.
- (3) The Audit Committee shall meet four times annually, or more frequently as circumstances dictate. The Audit Committee is comprised of Corry J. Silbernagel (Chair), Javier Montaña and Blair Jordan.
- (4) The Compensation Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Compensation Committee is comprised of Blair Jordan (Chair), Corry J. Silbernagel and Javier Reyes.
- (5) The Governance & Nominating Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Governance & Nominating Committee is comprised of Corry J. Silbernagel (Chair), Javier Reyes and Blair Jordan.

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

Except as disclosed below, to the knowledge of the Company, based on information provided by the nominees for election as directors of the Company, no such nominee:

- (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, based on information provided by the nominees for election as directors of the Company, no such nominee:

1. 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;

2. 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
3. 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.

Mr. Blair Jordan was Interim CEO, CFO, and a director of Ascent Industries Corp. (“**Ascent**”) when, on Friday, March 1, 2019, the Supreme Court of British Columbia issued an order granting Ascent’s application for creditor protection under the *Companies’ Creditors Arrangement Act* (Canada). The order also extends protection to Agrima Botanicals Corp., Bloom Holdings Ltd., Bloom Meadows Corp., Pinecone Products Ltd., Agrima Scientific Corp. and West Fork Holdings NV Inc. These proceedings did not include or impact the operations and activities of Ascent’s other subsidiaries, including operations in Oregon, Nevada, and Denmark. The aforementioned companies sought creditor protection to address near term liquidity issues, which were in large part caused by the ongoing suspension of their licenses by Health Canada which were negatively impacting their ability to complete a strategic alternatives process in sufficient time to address its short term liquidity issues. In the circumstances, the board of directors of Ascent determined that a CCAA proceeding was the most prudent and effective way to carry on business and maximize value for Ascent’s stakeholders. While under CCAA protection, Ascent continued its day-to-day operations and, on April 5, 2019, completed the sale of its Canadian assets and certain related liabilities for approximately \$41.5m. On April 26, 2019, Mr. Jordan resigned as an officer and director of Ascent.

On April 30, 2021, the Ontario Securities Commission appointed PriceWaterhouseCoopers Inc. (“PwC”) as receiver over all the assets and undertaking of Bridging Finance Inc., to whom Mjardin Group Inc. (the “Company”) owed over \$160 million. As a result, on April 30, 2021, the Company announced a review of strategic alternatives available to the Company due to liquidity issues given the amount of debt on its balance sheet, including a sales and investment solicitation process (“SISP”) relating to its assets. On May 26, 2021, given his background in cannabis and capital markets, Mr. Jordan agreed to act as a director and member of the Special Committee of the directors of the Company in connection with a proposed restructuring of the Company’s balance sheet, and turnaround of operations. From the date of his appointment as a director, the Company worked vigorously towards a restructuring of its balance sheet, which included a wide ranging SISP of both its Canadian and US assets, and the development of two turnaround plans. However, notwithstanding the work undertaken towards the restructuring and turnaround, PwC, as receiver, determined to place the Company into receivership on March 23, 2022. Mr. Jordan resigned as a director and officer immediately prior to the Order of the Superior Court of Ontario in that regard.

## 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, 2022, 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

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 fund. 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 bachelor’s degree in applied science in Civil Engineering from the University of British Columbia.

<b>Javier Montañó</b> Independent Member of the Board of Directors Financially Literate	Mr. Montañó is a Certified Public Accountant with a postgraduate in accounting at Universidad Panamericana de Guadalajara, Jalisco. He is currently a Director of Candelaria Mining Corp. and the Chief Executive Officer of C-UNO, S.A. de C.V. Since 2004. Mr. Montañó 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 Crediavance, 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.
<b>Blair Jordan</b> Independent Member of the Board Financially Literate	Mr. Jordan is currently the Chief Executive Officer of HighMont Advisors Inc., a boutique corporate finance and strategy advisory firm with specific expertise in the industrial, cleantech, mining, technology, transportation, cannabis and biotech/pharma sectors. He was the CFO of HeyBryan Media Inc. from October 2019 to November 2020. Previously, Mr. Jordan was Vice President, Corporate Development, and later CFO and Interim CEO, of Ascent Industries Corp. (January 2018 to April 2019), and Managing Director, Investment Banking at Echelon Wealth Partners Inc. (February 2012 to December 17, 2020).

**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 of Directors, 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.

*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 of Directors.

**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:

- 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;
- 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;
- 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
- 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 NEOs currently are John McClintock and Anthony Balic. Mr. McClintock was appointed the Company's CEO in November 2021 and resigned on November 14, 2022. Mr. Balic assumed the position of Interim CEO upon the resignation of Mr. McClintock.

**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 of Directors in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board of Directors 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 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 of Directors 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, 2022, there were no fees paid to consultants or advisors with respect to executive compensation.

#### *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 2022 fiscal year, there was an increase in compensation of the 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 of Directors in relation to the circumstances surrounding each grant.

For the 2022 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.

#### *The Role of Management*

For the 2022 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 2022.

#### *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 2022 corporate performance results is noted in the section "*Overall Corporate Performance*", below.

#### *Individual Performance*

During the 2022 fiscal year, the compensation for the CEO and CFO was fixed. Compensation of the Company's CEO and CFO is disclosed under the heading "*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 officer's 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***

### Highlights and Developments included:

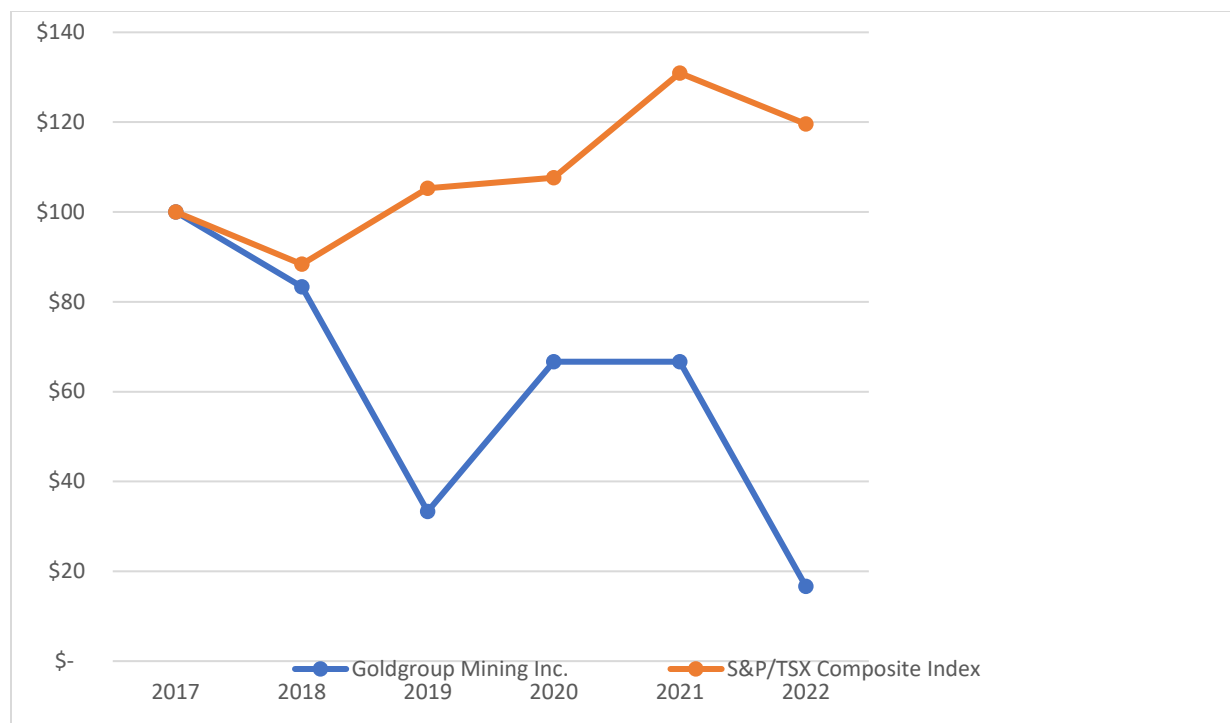
- In Q4 2021, the Company began operations in the new Puma zone which is classified as an exploration and evaluation asset where all related revenue and production costs are capitalized and the minimal production from the Cerro Prieto pit in Q1 2022 was recorded as revenue and cost of sales which accounts for the significant reduction in statement of loss compared to the prior year periods.
- During the year ended December 31, 2022, the Company produced 11,274 ounces of gold (Cerro Prieto 392, Puma 10,883) (December 31, 2021 – Cerro Prieto 9,686, Puma 3,220).
- During the year ended December 31, 2022, the average realized price for the gold sold was \$1,810 (December 31, 2021 – \$1,800).
- During the year ended December 31, 2022, Puma’s all-in sustaining cost of production per ounce was \$2,360<sup>(1)</sup> and all-in cost per ounce was \$2,619.<sup>(1)</sup> As the Puma zone is classified as an exploration and evaluation asset there is no inventory adjustment in the calculation of cash costs. As operations has significantly built-up work-in-progress ounces in stockpile and on the leach pad, the cash cost number would be lower if an inventory adjustment was included and therefore the prior periods are not comparable.
- During the year ended December 31, 2022, Cerro Prieto’s all-in sustaining cost of production per ounce was \$2,485<sup>(1)</sup> and all-in cost per ounce was \$2,804.<sup>(1)</sup> During the year ended December 31, 2021, Cerro Prieto’s all-in sustaining cost of production per ounce was \$1,422<sup>(1)</sup> and all-in cost per ounce was \$1,645.<sup>(1)</sup>

(1) Cash cost is a non IFRS measure. See “Non IFRS Measures” in the Company’s MD&A for the financial year ended December 31, 2022 filed on SEDAR on March 31, 2023.

### *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 \$0.10 on the TSX at December 31, 2022 compared to \$0.60 at December 31, 2017, a decrease of approximately 83.33%. The following chart compares the total cumulative shareholder return for \$100 invested in the Company’s Common Shares since December 31, 2017, 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 fluctuations. Goldgroup’s compensation to the NEOs has stayed relatively flat since 2006, with the exception of severances paid in 2012, 2013 and 2022 to certain NEOs, the increase in CEO compensation in 2016, the appointment of new CFO in 2020 and the appointment of a new CEO in November 2021 until his resignation in November 2022. 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. The trend in the performance graph does not directly correlate to the trend of the compensation paid to the NEOs.



### Five Year Cumulative Return on \$100 Investment

	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31 2020	Dec. 31 2021	Dec. 31, 2022
Goldgroup Mining Inc.	\$100	\$83	\$33	\$67	\$67	\$17
S&P/TSX Composite Index	\$100	\$88	\$105	\$108	\$131	\$120

### 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 of Directors. 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 of Directors 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 Plan***

At the Company's annual general and special meeting of shareholders held August 6, 2021, a resolution was passed concerning a new stock option plan (the "**Stock Option Plan**") to replace the Company's previous stock option plan, which conformed to requirements of the *Income Tax Act* (Canada), the TSX and best practices regarding security-based compensation arrangements.

The Stock Option Plan is a 10% rolling stock option plan under which the maximum issuance of stock options granted thereunder ("**Options**") cannot exceed 10% of the issued and outstanding Common Shares of the Company from time to time. As a result, should the Company issue additional Common Shares in the future, the number of Common Shares issuable under the Stock Option Plan will increase accordingly. The Stock Option Plan is considered an "evergreen" plan, since the Common Shares covered by Options which have been exercised shall be available for subsequent grants under the Stock Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares of the Company increases.

As of the date hereof, the Company has 28,623,656 issued and outstanding Common Shares, meaning that, pursuant to the terms of the Stock Option Plan, 2,862,365 Common Shares may be reserved for issuance pursuant to the exercise of Options granted. To date, an aggregate of 1,540,000 Options have been granted under the Stock Option Plan, representing 5.38% of the current total number of issued and outstanding Common Shares. An aggregate of 1,322,365 Options remain available for grant under the Stock Option Plan, representing 4.62% of the current total number of issued and outstanding Common Shares (such Options are hereinafter referred to as the "unallocated" Options).

The Stock Option Plan does not include an automatic expiration date. Pursuant to TSX policies and for so long as the Stock Option Plan stays active, all unallocated Options, rights or other entitlements available under the Stock Option Plan must be approved by the majority of the Shareholders every three (3) years, which approval was last obtained at the 2021 AGM.

A summary of the terms of the Stock Option Plan is set out below. The summary is qualified in its entirety by reference to the Stock Option Plan, which can be found at Schedule "A" of the Company's management information circular dated June 6, 2018 which was filed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on June 14, 2018. All capitalized terms used in the summary but not defined shall have the meanings ascribed thereto in the Stock Option Plan.

Employees, independent-contractors, officers, directors (subject to limitations) and consultants of the Company or any of its subsidiaries (each, an "**Eligible Participant**") are eligible to participate in the Stock Option Plan, which is intended to continue to achieve a number of objectives through the grant of 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.

The Stock Option Plan provides that:

1. *Plan Maximum* - The maximum number of Common Shares reserved for issuance by the Company pursuant to the Stock 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 (on a non-diluted basis).
2. *Insider participation limit (aggregate)* - The number of securities issuable to insiders, at any time, under the Stock Option Plan, plus any other security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
3. *Insider participation limit (one-year)* - The number of securities issued to insiders, within any one-year period, under the Stock Option Plan, plus any other security-based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.

4. *Maximum issuable to one person* - The number of Common Shares reserved for issuance pursuant to the Stock Option Plan (together with those Common 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.
5. *Exercise Price* - The Stock 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 on which such Common Shares are listed, on the last market trading day prior to the date of the grant of the Option.
6. *Vesting* - The Stock Option Plan provides that the Compensation Committee may, at its discretion, provide for Options to vest at one time (including, if they deem necessary, at the time of grant) or from time-to-time periodically or otherwise, in such number of Common Shares or percentage of Common Shares as the Compensation Committee determines.
7. *Term* - The maximum term for any Option issued pursuant to the Stock Option Plan will be ten years, 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.
8. *Cessation* - The Stock 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 and be of no further force or effect. 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) by reason of death, the Options then vested will be exercisable for a maximum period of twelve months; and
  - 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 or termination by reason of death, only those Options vested at the date of such cessation will be exercisable for a maximum period of 60 days.
9. *Assignability* - The Stock Option Plan provides that the Options are non-transferable and non-assignable, unless by will or operation of law.
10. *Amendments (Board of Directors)* - The Stock Option Plan provides that the Board of Directors shall have the power to amend, suspend or terminate the Stock 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.
11. *Amendments (Shareholders)* - The Board of Directors shall obtain shareholder approval for amendments:
  - to the maximum number Common Shares that may be reserved for issuance upon exercise of Options granted pursuant to the Stock 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 Stock 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.

12. *Financial Assistance* - The Stock Option Plan does not provide the option for any financial assistance being made available by the Company to the Optionholder in order to facilitate the exercise of any Options granted thereunder.
13. The Stock Option Plan includes a cashless exercise feature in the event of a Change of Control (as defined in the Stock 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 of Directors), equal to the difference between (i) the fair market value of the Common Shares underlying the surrendered Options and (ii) the aggregate exercise price for the Common Shares pursuant to the surrendered Options.
14. The Stock 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.

### ***Other Compensation***

Executive officers may 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. All amounts noted below are in US Dollars.

Name and Position	Year	Salary (\$) <sup>(1)</sup>	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>John McClintock</b> <sup>(4)</sup> Former CEO	2022	131,250	Nil	Nil	Nil	Nil	Nil	Nil	131,250
	2021	18,750	Nil	78,670	Nil	Nil	Nil	Nil	97,420
<b>Anthony B. Balic</b> Interim CEO, CFO & Corporate Secretary	2022	135,379	Nil	Nil	Nil	Nil	Nil	Nil	135,379
	2021	123,000	Nil	39,500	Nil	Nil	Nil	37,000 <sup>(5)</sup>	199,500
	2020	125,000	Nil	Nil	Nil	Nil	Nil	Nil	125,000

#### **Notes:**

- 1) This figure includes the US dollar value of cash and non-cash base salary each NEO earned (accrued) during the financial year.
- 2) Share-based awards are awards under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Common Shares, restricted shares, restricted share units, phantom shares, phantom share units, common share equivalent units and stock.
- 3) Option-based awards are awards under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. This does not represent cash paid to the NEO. This figure is based on the grant date fair value of such options. The value of stock options was calculated using the Black-Scholes option pricing model using the assumption described in the table "*Share Option Values and Assumptions*" below.
- 4) Mr. McClintock was appointed the Company's CEO in November 2021 and resigned on November 14, 2022. Mr. Balic assumed the position of Interim CEO upon the resignation of Mr. McClintock. At the time of his resignation, the Company owed Mr. McClintock \$40,000 which the parties agreed would be paid in Common Shares the next time the Company undertakes a conversion of shares for debt

transaction.

- 5) During the financial year ended December 31, 2020, Mr. Balic was awarded a one-time discretionary bonus of \$37,000.

*Narrative Discussion*

The Company has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The assumptions used in this calculation are described in the table “*Share Option Values and Assumptions*” below.

***Share Option Values and Assumptions***

There were no options issued for the year ended December 31, 2022.

***Incentive Plan Awards***

The following table sets out all option-based awards and share based awards outstanding for each NEO at December 31, 2022. 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>John McClintock</b> Former CEO <sup>(2)</sup>	300,000	\$0.35	Dec. 22, 2026	Nil	Nil	Nil	Nil
<b>Anthony B. Balic</b> Interim CEO, CFO & Corporate Secretary <sup>(2)</sup>	200,000 125,000	\$0.35 \$0.35	Jul. 27, 2025 Dec. 22, 2026	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- Value calculated based on the difference between the closing price of the Common Shares on December 31, 2022 (\$0.10) and the option exercise price.
- Mr. McClintock was appointed the Company’s CEO in November 2021 and resigned on November 14, 2022. Mr. Balic assumed the position of Interim CEO upon the resignation of Mr. McClintock. On January 13, 2023, options to acquire up to 300,000 Common Shares issued to Mr. McClintock were cancelled.

***Incentive Plan Awards – Value Vested or Earned During the Year ended December 31, 2022***

For each NEO, the following table sets forth: (1) the value of option-based awards which vested or were earned during the financial year ended December 31, 2022, (2) the value of share-based awards which vested or were earned during the financial year ended December 31, 2022, and (3) the value of non-equity incentive plan compensation earned during the financial year ended December 31, 2022.

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>John McClintock</b> , Former CEO <sup>(2)</sup>	Nil	Nil	Nil
<b>Anthony B. Balic</b> , Interim CEO, CFO & Corporate Secretary <sup>(2)</sup>	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
3. Mr. McClintock was appointed the Company's CEO in November 2021 and resigned on November 14, 2022. Mr. Balic assumed the position of Interim CEO upon the resignation of Mr. McClintock. On January 13, 2023, options to acquire up to 300,000 Common Shares issued to Mr. McClintock were cancelled.

## 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, 2022. All amounts 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
Javier Reyes	\$26,650	Nil	Nil	N/A	N/A	\$72,000 <sup>(2)</sup>	\$98,650
Javier Montano	\$21,450	Nil	Nil	N/A	N/A	Nil	\$21,450
Anthony Balic	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Blair Jordan	\$29,250	Nil	Nil	N/A	N/A	Nil	\$29,250

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) Javier Reyes received \$6,000 per month in management fees for providing corporate development services.

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.

### *Incentive Plan Awards*

The following table sets out all option-based awards and share based awards outstanding for each of the Company's directors, other than NEOs, at December 31, 2022. The Company's directors 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>Corry J. Silbernagel</b>	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
<b>Javier Reyes</b>	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
<b>Javier Montaña</b>	10,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	35,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
<b>Anthony Balic</b>	200,000	\$0.35	Jul. 27, 2025	Nil	Nil	Nil	Nil
	125,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil
<b>Blair Jordan</b>	175,000	\$0.35	Dec. 22,2026	Nil	Nil	Nil	Nil

Notes:

- Value calculated based on the difference between the closing price of the Common Shares on December 31, 2022 (\$0.10) and the option exercise price.

***Incentive Plan Awards - Value Vested or Earned During the Year ended December 31, 2022***

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Corry J. Silbernagel	Nil	Nil	Nil
Javier Reyes	Nil	Nil	Nil
Javier Montano	Nil	Nil	Nil
Anthony Balic	Nil	Nil	Nil
Blair Jordan	Nil	Nil	Nil

Notes:

- Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.

***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

4. 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 20, 2022 to November 20, 2023 and the following is a summary of the premiums paid. All amounts are Canadian.

<b>For the Period</b>	<b>Coverage</b>	<b>Premium Per Year</b>	<b>Total amount of insurance (subject to Policy deductibles)</b>
November 20, 2022 to November 20, 2023	Director/Officer Liability Insurance	\$31,500	\$2,500,000 Per Claim Limit & Policy Period
November 20, 2022 to November 20, 2023	Additional Side A Insurance	\$17,500	\$2,500,000 Per Claim Limit & Policy Period

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company adopted a Stock 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. For more information regarding the Stock Option Plan, see “*Statement of Executive Compensation - Stock Option Plan*” above.

The following table sets forth information relating to the Company’s equity compensation plan as at the year ended December 31, 2022.

<b>Plan Category</b>	<b>Total number of securities authorized for issuance</b>	<b>Total number of securities issuable</b>	<b>Total number of securities issuable as a percentage of total number permitted</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Total number of securities remaining available for future issuance (unallocated)</b>	<b>Total number of securities remaining available for future issuance as a percentage of total number permitted</b>
Equity compensation plans previously approved by security holders	2,862,365 (10% of issued and outstanding Common Shares)	1,540,000	53.80%	\$0.35	1,322,265	46.20%
Equity compensation plans not previously approved by security holders	N/A	Nil	0%	Nil	Nil	Nil
<b>Total</b>	2,862,365	1,540,000	53.80%	\$0.35	1,322,265	46.20%

### ***Annual Burn Rate of Stock Option Plan***

The following table sets out the annual burn rate of the Stock Option Plan for the three most recently completed financial years, expressed as a percentage and calculated by dividing the number of stock options granted in a financial year by the weighted average number of securities outstanding for the financial year:

<b>Year</b>	<b>Stock Options Granted</b>	<b>Weighted Average Securities Outstanding<sup>(1)</sup></b>	<b>Burn Rate</b>
2022	Nil	22,160,000	Nil
2021	10,250,000	211,803,356	4.84%
2020	8,150,000	194,026,000	4.20%

**Notes:**

- (1) The weighted average number of securities outstanding during the period is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the securities are outstanding as a proportion to the total number of days in the period.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director, nor any associate of such director, executive officer or nominee (i) is or has been indebted to the Company or its subsidiaries since the beginning of the Company's most recently completed financial year, or (ii) has or had indebtedness to another entity since the beginning of the Company's most recently completed financial year that has been or was 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.

### **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 directs, 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.

On June 29, 2020, the Company's subsidiary, Minas de Oroco Resources, S.A. de C.V. (“**Minas de Oroco**”), completed a definitive loan facility agreement with Accendo Banco S.A., Multiple Banking Institution, as lender (“**Accendo**”) in the amount of US\$3,000,000 at a rate of 12% per annum with a final repayment date of 36 months from the date of the first disbursement (the “**Accendo Loan**”). The Company guaranteed the Accendo Loan on behalf of Minas de Oroco. As consideration for the Accendo Loan, Minas de Oroco paid an arrangement fee in an amount equal to 0.925% of the Facility Amount, and the Company issued to Accendo a total of 750,000 common share purchase warrants, each such warrant exercisable to purchase one Common Share at a price of CAD\$0.25 for a period of 36 months. The Company drew down US\$1,500,000 on the Accendo Loan. Javier Reyes, a director of the Company, was the CEO and Chair of Accendo at that time, however, he has not been associated with Accendo since 2021.

As described below under “Particulars of Matters to Be Acted Upon”, the debt underlying the Accendo Loan has been acquired by Minera Cerro Esperanza S.A de C.V. (“**MER**”), a wholly owned subsidiary of Calu Opportunity Fund LP (“**Calu**”). Calu is a shareholder and investor in the Company having acquired 1,177,500 Common Shares and having loaned the Company US\$2.16 million. MER contacted the Company on April 26, 2023 seeking repayment of the Accendo Loan. As the assets of Minas de Oroco are the only operating assets of the Company, the seizure of the assets would effectively place the Company into insolvency unless another arrangement was made. Further to discussions with MER, the Company is proposing to enter into a Settlement Agreement and an Exploitation and Option to Purchase Agreement, subject to approval of shareholders at the Meeting, pursuant to which the Company will deliver the assets of Minas de Oroco to MER in full satisfaction of the Accendo Loan and the Company is provided the right to operate the assets of Minas de Oroco and to purchase the assets in the future.

All related party transactions for the financial year ended December 31, 2022 are detailed in the Company’s Management Discussion & Analysis for the year ended December 31, 2022 available on Sedar at [www.sedar.com](http://www.sedar.com) (or promptly upon request from the Company as described herein). 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**

In November 2021, we entered into an employment agreement with John McClintock setting forth the terms and conditions of his employment as our Chief Executive Officer, from which he resigned in November 2022. The employment agreement provided for a base salary, bonus payments and reimbursement of expenses, and included, among other things, customary provisions regarding confidentiality and non-competition. The employment agreement with Mr. McClintock provided that the agreement could be terminated upon three months notice by the Company or immediately for cause. If his employment was terminated by us without cause, Mr. McClintock would be entitled to a severance payment of 50% of the incentive bonus due to him. Under the agreement with Mr. McClintock, upon a change of control, as defined below, the Company would pay Mr. McClintock an amount equal to US\$250,000, which could be paid in Common Shares subject to any required regulatory approvals being obtained. Mr. McClintock resigned from his position in November 2022 to pursue other opportunities.

Effective February 2022, we entered into an employment agreement with Anthony Balic setting forth the terms and conditions of his employment as our Chief Financial Officer. The employment agreement provides for a base salary, bonus payments and reimbursement of expenses, and includes, among other things, customary provisions regarding confidentiality and non-competition. The employment agreement with Mr. Balic provides that the agreement can be terminated upon three months notice by the Company or immediately for cause. If his employment is terminated by us without cause, Mr. Balic will be entitled to a severance payment of 50% of the incentive bonus due to him. Under the agreement with Mr. Balic, upon a change of control, as defined below, the Company will pay Mr. Balic an amount equal to 1.5 times his annualized salary.

“Change of Control” under the agreement with Mr. Balic means the occurrence of any one or more of the following events: (a) a consolidation, merger, amalgamation, arrangement, share exchange or other reorganization or acquisition in which the Company is not the continuing or surviving entity; (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all the assets, rights or properties of the Company to any other person or entity, other than the disposition to a wholly or majority-owned subsidiary of the Company in the course of a reorganization of the assets of the Company; and (c) any person, entity or group of persons acting jointly or in concert, who as of the date of this Agreement do not directly or indirectly control over 50% of the voting stock of the Company, acquires or acquires control directly or indirectly of voting stock of the Company (“Acquiror”) which when added to shares already controlled by the Acquiror constitutes over 50% of the voting stock of the Company (regardless of whether a meeting has been called to elect directors).

### **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 Corry J. Silbernagel, Javier Montañó, and Blair Jordan.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	<p>Anthony Balic is not independent as he is currently the Company's Chief Financial Officer and Interim Chief Executive Officer.</p> <p>Javier Reyes is not independent due to a monthly retainer he receives with respect to providing corporate development services.</p> <p>The Board of Directors has determined that the foregoing arrangements constitute 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 issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.</p>
(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.	If all proposed directors are elected at the Meeting, three out of five of the directors will be 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.	Other directorships of the directors of the Company are set out in this Information Circular in the table under the heading <i>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 directors 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 Board of Directors does not currently have a chair. The Board of Directors 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, 2022 to December 31, 2022 is set out under " <i>Election of Directors - Nominees</i> ".
<b>2. Board Mandate</b>	
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	The Board of Directors has adopted a written mandate. The members of the Board of Directors have the duty to supervise the management of the business and affairs of the Company. The Board of Directors, directly and through its committees (and if and when appointed, the chair of the Board of Directors (the " <b>Chair</b> ")), 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 of Directors' Mandate (the " <b>Board Mandate</b> ") can be found on the Company's website at <a href="https://www.goldgroupmining.com/investors/corporate-governance">https://www.goldgroupmining.com/investors/corporate-governance</a> .

Corporate Governance Disclosure Requirement	Comments
<b>3. Position Descriptions</b>	
(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.	The Board of Directors 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 of Directors or of the particular committee. Each such position entails the fundamental requirement to chair meetings of the Board of Directors 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 of Directors 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.
(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.	The Board of Directors has developed a written position description for the CEO and Executive Chair. A copy of the position description together with the complete Board Mandate can be found on the Company's website at <a href="https://www.goldgroupmining.com/investors/corporate-governance">https://www.goldgroupmining.com/investors/corporate-governance</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.
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding: <ul style="list-style-type: none"> <li data-bbox="267 1102 755 1155">(i) the role of the board, its committees and its directors; and</li> <li data-bbox="267 1176 755 1228">(ii) the nature and operation of the issuer's business.</li> </ul>	New directors are provided with details of the Company's organizational structure, the structure of the Board of Directors, 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 the functions and activities of the Company. On an ongoing basis, presentations are made to the Board of Directors on various aspects of the Company's operations. Directors can also access internal financial information, management, technical experts and consultants.
(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 of Directors members are encouraged to communicate with Management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Members of the Board of Directors 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

Corporate Governance Disclosure Requirement	Comments
	<a href="https://www.goldgroupmining.com/investors/corporate-governance">https://www.goldgroupmining.com/investors/corporate-governance</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	<p>The Board of Directors has instructed management to bring any breaches of the Code to the attention of the chair of the Board of Directors 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="https://www.goldgroupmining.com/investors/corporate-governance">https://www.goldgroupmining.com/investors/corporate-governance</a>.</p>
(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.	<p>No material change report has been filed since January 1, 2022 (the commencement of the year ended December 31, 2022), or ever, that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>
(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.	<p>If a director or executive officer has an interest in any transaction or agreement before the Board of Directors, 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 of Directors or the Audit Committee.</p>
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	<p>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 of Directors 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.</p>
<b>6. Nominations of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	<p>The Governance and Nominating Committee is responsible for proposing new nominees to the Board of Directors. 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.</p>
(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.	<p>The Company has a Governance and Nominating Committee, two of whom are independent. The Chair of the Governance and Nominating Committee, Corry J. Silbernagel, is independent, and is the primary contact for the Governance and Nominating Committee, whereby all activities of the Governance and Nominating Committee are first addressed to the Chair of the Committee to address. In order to ensure an objective nomination process, the Board of Directors ensures that the Governance and Nominating Committee maintains a majority of independent directors.</p>
(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.	<p>The Governance and Nominating Committee has the responsibility of, among other things: (i) recommending to the Board of Directors, 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 of Directors; and (ii) analyzing the needs of the Board of Directors 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>.</p>

Corporate Governance Disclosure Requirement	Comments
<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 makes recommendations to the Board of Directors 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 of Directors 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, 2022 the composition consisted of two independent directors and one non-independent director. The Chair of the Compensation Committee was Javier Reyes, who is not independent, and who was the primary contact for the Compensation Committee for the year ended December 31, 2022. In order to ensure an objective process for determining compensation, the Board of Directors ensures that a majority of the members of the Compensation Committee are independent.
(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 of Directors, CEO, Chair, 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, 2022 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 of Directors annually, and at such other times as it deems appropriate, will review the performance and effectiveness of the Board of Directors, the Directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board of Directors will conduct informal discussions of its Directors, to assess whether there are areas of improvement. As part of the assessments, the Board of Directors or an individual committee may review its respective mandate or charter and conduct reviews of applicable corporate policies.



### *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 of Directors' 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 of Directors is satisfied that it has a system for dealing with conflicts of interest if any were to arise. In addition to their positions with the Company, 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>
Anthony Balic	Lions Bay Capital Inc. Fidelity Minerals Corp. Smythe Resources Corp.
Javier Montaña	Candelaria Mining Corp. Organto Foods Inc.
Blair Jordan	Standard Uranium Ltd. Timeless Capital Corp. Lode Metals Corp.

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

Please refer to "Election of Directors" as to Board of Directors meetings and committee meeting attendance.

### **PARTICULARS TO BE ACTED UPON**

To the knowledge of the Board of Directors the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting:

1. ***Financial statements and auditor report thereon***

The Board of Directors approved the audited consolidated financial statements of the Company and the auditor's report thereon for the financial year ended December 31, 2022, all of which will be presented at the Meeting and 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). **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. ***Election of Directors***

The Company has proposed that Corry J. Silbernagel, Javier Reyes, Javier Montaña, Anthony Balic and Blair Jordan (each, a "**Proposed Nominee**") be nominated for election as directors of the Company to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed. Please refer to "*Election of Directors*", "*Statement of Executive Compensation*", "*Statement of Director Compensation*", "*Statement of Corporate Governance Practices*" and "*Other Directorships*" above for more information regarding each Proposed Nominee.

**The Board of Directors recommends that Shareholders vote in favour of each Proposed Nominee. Unless otherwise directed, the management designee named in the enclosed Proxy will vote in favour of an ordinary resolution electing each Proposed Nominee to hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed.**

3. ***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 Board of Directors. Davidson & Company LLP, has served as the Company's auditor since

November 7, 2014. **Unless otherwise directed, the management designee 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.**

#### *4. Approval of Proposed Debt Conversion*

On December 9, 2022, the Company entered into an agreement (the "**Loan Agreement**") pursuant to which the Company obtained a loan in the principal amount of US\$2,160,000 (the "**Calu Loan**") from Calu Opportunity Fund LP, a resource focused private investment vehicle with a focus on supporting growth stage mining companies, for use in the Company's operations and working capital requirements. The Calu Loan is unsecured, bears interest at 6% per annum and is repayable on December 31, 2023, unless there is an event of default under the related Loan Agreement, in which case the outstanding amount under the Calu Loan plus all accrued and unpaid interest becomes immediately due and payable upon demand by Calu.

Under the Loan Agreement, the principal amount of the Calu Loan is convertible into Common Shares of the Company at a price of CDN\$0.10 per share (representing a discount of approximately 9.09% to the trading price of the Company's shares on December 9, 2022 being the price on the trading day prior of the announcement of the Calu Loan which was made pre-opening of the markets on December 12, 2022) at a fixed exchange rate of US\$1.345 to CDN\$1 (the "**Debt Conversion**") at the election of Calu. TSX rules require shareholder approval anytime the Company issues shares representing more than 25% of the Company's issued and outstanding share capital.

There are currently 28,623,656 Common Shares of the Company issued and outstanding, of which Calu owns 1,177,500 Common Shares or 4.11% of the Company's issued and outstanding share capital, which will be excluded from the vote. The Debt Conversion will result in an additional 29,052,000 Common Shares being issued to Calu, representing dilution of 101.50% of the Company's issued and outstanding share capital. Therefore, the Debt Conversion is subject to shareholder approval in accordance with Section 604 of TSX Company Manual relating to transactions materially affecting the control of a listed issuer and Section 607 of TSX Company Manual relating to private placements in excess of 25% of a listed issuer's issued and outstanding shares.

Upon completion of the Debt Conversion, Calu will become a control block holder assuming full conversion of the Calu Loan, owning 30,229,500 Common Shares of the Company, representing approximately 52.41% of the Company on a partially diluted basis.

If a majority of the Company's shareholders do not approve the Debt Conversion, the Company will be required to repay the Calu Loan plus interest to Calu on December 31, 2023 which would materially adversely affect the Company's working capital requirements. Accordingly, the Board of Directors unanimously recommends that shareholders vote to approve the Debt Conversion.

#### *The Debt Conversion Resolution*

Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution at the Meeting to permit the Debt Conversion (the "**Debt Conversion Resolution**"). The complete text of the Debt Conversion Resolution, which management intends to place before the Meeting for confirmation and ratification, with or without modification, is as follows:

**"IT IS HEREBY RESOLVED** that:

1. The Loan Agreement entered into by the Company and Calu Opportunity Fund LP, and its execution and delivery on behalf of the Company, is hereby authorized, ratified and approved.
2. The Debt Conversion, upon the terms contemplated in the Loan Agreement, is hereby authorized and approved.
3. Up to 29,052,000 Common Shares in the capital of the Company be and are hereby allotted and reserved in connection with the issue of the Common Shares to Calu under the Debt Conversion and, upon receipt of payment therefor by the Company, such Common Shares shall be deemed to be validly issued as fully paid and non-assessable shares in the capital of the Company, and the registrar and transfer agent of the Company is hereby authorized and directed, upon receipt of a written direction from the Company, to register and deliver certificates representing an aggregate of up to 29,052,000 common shares in such name or names as the Company may direct.
4. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute, or to cause to be executed, whether under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this resolution, including, without limitation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.
5. Notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or notice to the shareholders of the Company, to revoke this resolution at any time before the Debt Conversion is completed.
6. All actions heretofore taken by or on behalf of the Company in connection with any matter referred to in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE DEBT CONVERSION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote “For” the ordinary resolution to permit the Debt Conversion.** To be effective, the Debt Conversion Resolution must be passed by not less than 50% of the votes cast by shareholders in person or by proxy at the Meeting.

#### 5. *Approval of Proposed Debt Settlement*

##### **Overview**

Minera Cerro Esperanza S.A de C.V. (“**MER**”) a company controlled by Calu, has notified the Company of its intention to seize the assets of the Company’s operating subsidiary, Minas de Oroco, in satisfaction of the Accendo Loan that MER acquired from the Mexican government in the course of the liquidation of the Accendo assets by the government of Mexico. The Company proposes to enter into (i) a Settlement Agreement with MER pursuant to which the Company will transfer the Minas de Oroco assets to MER in satisfaction of the Accendo Loan and (ii) an Exploitation and Option to Purchase Agreement with MER, which provides the Company with the right to continue to operate the Minas de Oroco mine and to purchase the assets in the future upon the payment of US\$1,850,000 in cash or Common Shares of the Company.

The Company is seeking minority shareholder approval in connection with the approval of the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby pursuant to Multilateral Instrument 61-101 of applicable Canadian securities regulators (“**MI 61-101**”), including in connection with delivery of the assets of Minas de Oroco to MER in satisfaction of the Accendo Loan and the potential issuance of Common Shares greater than 25% of the number of issued and outstanding Common Shares of the Company if and

when the Company purchases the Minas de Oroco assets as provided in the Exploitation and Option to Purchase Agreement.

### **Background to the Transaction**

On June 29, 2020, the Company's subsidiary, Minas de Oroco, completed a definitive loan facility agreement with Accendo in the amount of US\$3,000,000 at a rate of 12% per annum with a final repayment date of 36 months from the date of the first disbursement. The Accendo Loan was secured by all the assets of Minas de Oroco and was guaranteed by the Company. As consideration for the Accendo Loan, Minas de Oroco paid an arrangement fee in an amount equal to 0.925% of the Facility Amount, and the Company issued to Accendo a total of 750,000 common share purchase warrants, each such warrant exercisable to purchase one Common Share at a price of CAD\$0.25 until June 29, 2023, none of which have been exercised to date.

On September 28, 2021, Mexico's Ministry of Finance and Public Credit revoked Accendo's operating license and stated it would liquidate its assets for failure to comply with capitalization requirements for Mexican banks. Given the uncertainty surrounding the liquidation of Accendo, the Company ceased making payments under the Accendo Loan until the status of the loan could be determined.

During fiscal 2022, the Company experienced liquidity challenges which were mainly the result of a delay in the completion of a leach pad expansion. Due to this delay, the Company was required to stack fresh ore on a previously leached bench which caused a significant delay in recovering gold, and subsequent negative impact on revenue generation through gold sales. This delay in revenue while incurring costs at full production levels caused a working capital constraint which plagued the Company throughout the year and caused the Company seek debt and equity financing in the financial markets.

On June 9, 2022, the Company completed a private placement of units comprised of Common Shares and Common Share purchase warrants with the proceeds used for general working capital purposes as the Company continued to experience production delays and was experiencing liquidity issues.

On August 11, 2022, the Company entered into an agreement with Calu whereby Calu provided a loan to the Company in the principal amount of US\$550,000 (the "**First Calu Loan**"). The First Calu Loan was unsecured and bore interest at 5% per annum and was to be repaid in 11 equal monthly installments of \$50,000 commencing on October 10, 2022, maturing on August 10, 2023.

On December 9, 2022, the Company entered into a convertible loan agreement with Calu, pursuant to which Calu loaned the Company the principal amount of US\$2,160,000, inclusive of the First Calu Loan, (the "**Calu Loan**"). The Calu Loan is unsecured, bears interest at 6% per annum, is repayable on December 31, 2023 and, subject to approval of the Company's shareholders, is convertible at the option of Calu into Common Shares of the Company at CDN\$0.10 per share at a fixed exchange rate of US\$1.345 to CDN\$1. The Company is seeking shareholder approval for the conversion of the Calu Loan into Common Shares at the Meeting, which conversion would be a critical method of conserving capital for the Company. If approved, Calu would become a control block holder upon full conversion of the Calu Loan owning approximately 52.41% of the Company's issued and outstanding Common Shares on a partially diluted basis, making Calu a related party to the Company under MI 61-101 of applicable Canadian Securities Commissions.

On January 16, 2023, the Company issued 5,700,000 Common Shares at a price of \$0.10 per share for gross proceeds of \$570,000 by way of a private placement. Calu Opportunity Fund LP acquired approximately 1,177,500 Common Shares in this private placement and, as a result, Calu held approximately 7.90% of the issued and outstanding Common Shares of the Company. Calu is a resource focused private investment vehicle, with a focus on supporting growth stage mining companies.

On April 11, 2023, MER informed the Company's interim CEO (who is also CFO and a director of the Company), Anthony Balic, by email that it had acquired the Accendo Loan and by extension, rights to all the security underlying the Accendo Loan from the Mexican government in the course of the liquidation of the Accendo assets by the government of Mexico. MER requested a meeting with the Company to discuss repayment of the Accendo Loan. Mr.

Balic immediately informed the Board of the development and was instructed to meet with MER representatives to obtain more information.

On April 26, 2023, Mr. Balic met with representatives of MER over a telephone call to discuss the Accendo Loan, as MER representatives are located in Mexico. At the meeting, MER advised that it had won a bid for the Accendo Loan and by extension, rights to all underlying security, from the Mexican government during the course of the liquidation of Accendo's assets by the government and that the outstanding principal and interest under the Accendo Loan amounted to approximately US\$1.8 million. MER requested the payment of the full amount outstanding under the Loan (principal and interest) as soon as possible. If the Company was unable to comply with MER's request, it was understood that MER would consider exercising any and all available remedies, including the potential to seize the assets from the Company and/or its subsidiaries, attempt to collect pursuant the Company's guarantee, or avail itself of other remedies available at law.

Mr. Balic discussed the financial situation of the Company with MER at the meeting. Mr. Balic explained that the Company did not have sufficient cash to pay the loan currently and raising capital in the current environment would be difficult. Mr. Balic suggested an extension of the Accendo Loan or potentially paying the loan in Common Shares of the Company. The meeting ended with MER and the Company agreeing to meet again over the next days after internal discussions were had by each of them.

That same afternoon, the Mr. Balic contacted the Company's Board to discuss the conversation at the meeting he attended with representatives of MER. He requested a Board meeting to discuss the matter, which was agreed to be convened the morning of April 28, 2023.

At that Board meeting, Mr. Balic advised the Board that MER was seeking an immediate payment of the Accendo Loan in cash, but after explaining the Company's inability to pay cash given working capital constraints, a discussion had ensued with MER about an extension of the Accendo Loan or potentially paying the loan in Common Shares of the Company. Mr. Balic also advised the Board that the loss of the assets of Minas de Oroco would effectively place the Company in a position of insolvency as those were effectively the only operating assets of the Company producing cash flow.

During the meeting the Board discussed a number of potential strategic alternatives that might be negotiable with MER, given that Calu would be a control person of the Company upon the conversion of the Calu Loan to Common Shares of the Company and that the Calu Loan would effectively lose all value in the event the Company became insolvent. It was determined, after careful analysis of the available options, including a potential capital raise, replacement of MER with a new creditor, or embarking on a "distressed M&A transaction", that the best course of action for the Company and its stakeholders would likely be to negotiate an alternative transaction with MER given Calu's financial interest in the Company. In particular, the Board felt that issuing equity and/or replacement debt in a very challenging financial market and given the urgency of request by MER would be impossible, as would securing a suitable M&A transaction that would benefit stakeholders. The Board, having considered these alternatives, recommended that the CEO begin discussing an alternate arrangement with Calu as soon as possible.

On May 1, 2023, Mr. Balic met again with representatives from MER over a telephone call. Mr. Balic suggested that, given Calu's investment in the Company, the best approach might be to settle the Accendo Loan for equity of the Company. As the discussion progressed, it became apparent that MER was concerned about the approximately US\$11.5 million in trade debt that the Company had accumulated at the Minas de Oroco level. MER was concerned about protecting the assets of Minas de Oroco, which had been pledged as security against the Accendo Loan, in the event one or more trade creditors were to file a lien against the assets or otherwise encumber the assets pursuant to an insolvency proceeding. MER wanted to seize the Minas de Oroco assets to ensure they could not be encumbered or otherwise adversely affected by legal process. At that point MER stated it would further consider the matter and revert back to the Company.

The next day, Mr. Balic informed the Board regarding his discussions with MER. Mr. Balic suggested he go back to MER with an offer to convert the Accendo Loan into Common Shares of the Company and to negotiate the same conversion of debt to equity with trade creditors of the Company. Two independent directors of the Board suggested further that, in the event MER were to not accept the proposal, Mr. Balic propose that the Company could lease back the Minas de Oroco assets and continue operating them as neither MER nor Calu were mining operators.

On May 3, 2023, Mr. Balic met again with representatives from MER. He discussed a proposal to convert substantially all of the Company's debt (the Accendo Loan, the Calu Loan and trade debt) into Common Shares of the Company as soon as possible, which would have a material benefit to Calu's financial interest in the Company. However, MER did not agree with the proposal stating trade creditors would immediately seek to protect their investment via legal processes in Mexico. MER stated it would be taking steps to enforce the security against the Minas de Oroco assets immediately. Mr. Balic stated that seizing the Minas de Oroco assets would essentially place the Company in insolvency which would affect Calu's financial interest in the Company and suggested instead that the Company settle the Accendo Loan with the Minas de Oroco assets, provided the Company be allowed to continue operating the assets in consideration for a royalty against production, and be provided an option to purchase the assets for an agreed price. MER was amenable to this proposal as it allowed them to secure the assets against which the Accendo Loan had been advanced, while at the same time allow the Company to continue mining operations, which are outside the scope of Calu's expertise. Calu proposed a net smelter royalty ("NSR") and a purchase price of the total amount of the loan outstanding. Mr. Balic stated he would discuss the proposal with the Board and revert to MER.

A Board meeting was convened shortly after at which Mr. Balic informed the other Board members of his conversation with MER. In light of the conversation with MER, the same two independent Board members agreed that an exploitation right for the life of the mine in consideration for a 2% NSR would be appropriate, as well as a purchase right of US\$1,850,000 based on the face value of the Accendo Loan outstanding at the time of MER's purchase, provided that the NSR would automatically extinguish upon the purchase option being exercised. The Board agreed and instructed Mr. Balic to present the proposal to MER as soon as possible.

On May 8, 2023, Mr. Balic presented the proposal to MER, which MER accepted later that day. The Board then instructed the Company's legal counsel to prepare agreements reflecting the terms agreed for presentation to MER. On May 15, 2023, the Board reviewed a Settlement Agreement, as well as an Exploitation and Option to Purchase Agreement, and discussed their terms. The agreements contemplated the following essential terms:

- The Accendo Loan will be fully settled through the delivery of the assets of Minas de Oroco by the Company to MER and MER will provide an exploitation right for the life of the mine owned by Minas de Oroco to the Company in consideration for a 2% NSR;
- The Company will have the right to purchase the Minas de Oroco assets in the future for US\$1,850,000 in cash or an equivalent amount in Common Shares, as agreed by the parties, and upon exercise of the purchase option the NSR would automatically extinguish; and
- Shareholder approval of the Settlement Agreement and Exploitation and Option to Purchase Agreement and the transactions contemplated thereby be obtained in accordance with applicable law.

On May 15, 2023, the Company submitted a draft of the Settlement Agreement and the Exploitation and Option to Purchase Agreement to MER. MER reviewed the draft agreements with its legal counsel and the parties engaged in a negotiation of terms. On May 17, 2023, the Board reviewed a final draft of the two agreements and discussed the risks and benefits of the transactions as proposed, after which the Board unanimously approved the Settlement Agreement and the Exploitation and Option to Purchase Agreement and determined that the entering into of the transactions under the agreements is in the best interests of the Company and fair to its shareholders.

### **Determination of the Board**

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby, has unanimously determined that the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby are in the best interests of the Company and fair to its shareholders.

### **Reasons for the Determination**

The following includes forward-looking information and readers are cautioned that actual results may vary. See "Risk Factors" below.

The Board's determinations are based on the totality of the information presented and considered by it. The following summary of the information and factors considered by the Board is not intended to be exhaustive but includes a summary of the material information and factors considered by the Board in its consideration of the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby. In view of the variety of factors and the amount of information considered in connection with the Board's review and evaluation of the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its determinations. The determinations of the Board were made after consideration of the factors noted below, other factors, and in light of its knowledge of the business, financial condition and prospects of the Company. Individual members of the Board may have assigned different weights to different factors.

In making its determinations, the Board considered various factors, including those set out below:

- **Strategic Alternatives.** The Board reviewed and considered the availability, risks and uncertainties arising from possible strategic alternatives to the transactions (including any available debt and equity financing sources and structures) and the timing and likelihood of achieving such alternatives in light of the timeline presented by MER for seizing the Minas de Oroco assets. The Board concluded that the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby are in the best alternative reasonably available.
- **Negotiations with MER.** The transactions follow extensive negotiations between MER and the Company. The Company was able to obtain significant benefits during this negotiation, including the ability to purchase the Minas de Oroco assets in the future.
- **Transaction Agreement.** The Board considered the terms and conditions of the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby, including the right of the Company to continue to operate the Minas de Oroco mine and to purchase the Minas de Oroco assets in the future in cash or Common Shares as agreed by the parties.
- **Liquidity.** The Board considered that, upon seizure of the assets of Minas de Oroco, the Company will no longer be burdened by the financial obligation under the Accendo Loan, placing the Company in a better financial position when operating the assets going forward.
- **Minority Shareholder Approval.** The Company's minority shareholders are being provided with an opportunity to determine whether the Company will proceed with the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby.

## **The Transaction Agreements**

### ***The Settlement Agreement***

The Company proposes to enter into a Settlement Agreement with MER pursuant to which:

1. Subject to approval of the Company's shareholders in accordance with applicable law, the Company and Minas de Oroco shall deliver to MER clear title to all of the assets of Minas de Oroco as set forth in Schedule B hereto in full and final satisfaction of the Accendo Loan, within 30 days of the receipt of such shareholder approval. MER shall deliver a release of all liabilities and claims against the Company and Minas de Oroco in respect of the Accendo Loan at the time of delivery of title to the Minas de Oroco assets by the Company to MER; and

2. Subject to approval of the Company's shareholders in accordance with applicable law, the Company and MER shall, contemporaneously with the execution of the Settlement Agreement, enter into the Exploitation and Option to Purchase Agreement pursuant to which the Company shall be granted the right to operate the Minas de Oroco assets and to repurchase the assets going forward, upon the terms and subject to the conditions set forth in the Exploitation and Option to Purchase Agreement.

The Settlement Agreement contains representations and warranties customary for agreements of this type.

### *The Exploitation and Option to Purchase Agreement*

The Company proposes to enter into an Exploitation and Option to Purchase Agreement (the "EOP Agreement") with MER pursuant to which MER provides the Company with the exclusive right to operate the mining assets of Minas de Oroco in Mexico, and the exclusive right and option for the Company to purchase the assets during the term of the EOP Agreement for a pre-agreed value.

#### *Operating Rights*

MER owns all of the mining claims of Minas de Oroco in Mexico. These mining claims, together with all ores, minerals, surface and mineral rights, and the right to explore for, mine, and remove the same, and all water rights and improvements, easements, licenses, rights-of-way and other interests appurtenant thereto, owned by MER are referred to collectively as the "Property" in the EOP Agreement.

Under the EOP Agreement, the Company has the exclusive rights and privileges incident to ownership of the Property, including without limitation the right to mine underground or on the surface, access water or water rights, extract by leaching in place or any other means, remove, save, mill, concentrate, treat, stockpile, store, ship and sell or otherwise dispose of ores, concentrates, mineral-bearing earth and rock and other products therefrom and to construct, use and operate thereon and therein structures, excavations, stockpiles, facilities, roads, equipment and other improvements which the Company shall deem reasonably required for, or in connection with, the full enjoyment of the rights and interests granted to the Company by this EOP Agreement.

#### *Royalty*

The Company has agreed to pay MER a 2.00% NSR for gold, silver, other metals, mineral products or geothermal resources produced and sold from mining claims until the purchase option is exercised.

The term "net smelter return" means the net dollar amount received by the Company from the sale of minerals produced from the ore mined from the Property in the corresponding calendar quarter, after deducting: (i) all charges, penalties, and deductions of any nature made by the smelter, refinery, or other treatment plant or purchaser arising out of the receipt, processing or handling of production, including umpire charges; and (ii) the following items attributable to production paid by or for the account of the Company: (a) all brokers' or agents' commissions on the sale and all other costs of sale, (b) all cost of transportation and extraction of the production, and (c) any tax, royalty or fee levied on the ownership, mining production, processing, severance, or sale of the subject minerals.

#### *Term and Termination*

This EOP Agreement is for an initial term of thirty (30) years and shall automatically renew for additional thirty (30) year periods not to exceed 99 years.

The Company has the right to terminate the EOP Agreement at its sole discretion at any time by giving thirty (30) days written notice to MER. Upon termination, MER shall retain all payments previously made as liquidated damages and the EOP Agreement shall cease and terminate.



If the Company fails to perform any material obligations under the EOP Agreement, including but not limited to the making of required payments due to MER, MER may declare the Company in default by giving the Company written notice of default which specifies the obligation(s) which the Company has failed to perform. If the Company fails to remedy a default in payment within sixty days (60) of receiving the notice of default, and within thirty (30) days for any other default, MER may terminate this EOP Agreement and the Company shall peaceably surrender possession of the Property to MER.

#### *Representations, Warranties and Indemnities*

The EOP Agreement contains representations and warranties customary for agreements of this type, including that the parties have the requisite authority to enter into the EOP Agreement and to perform their obligations under the EOP Agreement and that the EOP Agreement constitutes the valid and binding obligation of each party.

In addition, MER has made representations and warranties with respect to its ownership and possession of an undivided full interest and title to the mining claims in respect of the Property.

The Company has agreed to indemnify MER against all environmental liabilities arising at the Property as a result of work conducted by the Company.

#### *Option to Purchase*

MER has provided the Company with the option to purchase the Property during the term of the EOP Agreement for an aggregate of US\$1,850,000 which may be paid in cash or that number of Common Shares of the Company at closing as is equal to US\$1,850,000, as agreed by the parties (the “**Option**”) The Company may exercise the Option by written notice to MER and the parties have agreed to make diligent efforts to close the conveyance of the Property within thirty (30) days thereafter, with the Company being responsible for paying all applicable transfer taxes.

In the event that the Option price is paid in Common Shares of the Company, the number of Common Shares issued may be in excess of 25% of Company’s issued and outstanding share capital, which will require approval of the Company’s shareholders pursuant to Section 611 of the TSX Company Manual. The following provides an analysis of the number of shares that may be issuable upon the payment of the Option price in Common Shares of the Company, with a floor price of CDN\$0.10 per share. Based on the exchange rate on May 25, 2023 of US\$1 to CDN\$1.355, the Option price in Canadian dollars would be CDN\$2,506,750, representing approximately 175% of the Company’s market capitalization on May 25, 2023. The numbers in the table below will change based on the exchange rate at the time of the exercise of the Option.

<b>Share Price</b>	<b>Number of Common Shares Issuable</b>	<b>Percentage of Current Number of Common Shares Issued and Outstanding</b>	<b>Percentage of Number of Common Shares Issued and Outstanding After Debt Conversion</b>
\$0.10	25,067,500	87.58%	43.46%
\$0.15	16,711,667	58.38%	28.98%
\$0.20	12,533,750	43.79%	21.73%

The following table sets forth information relating to ownership Common Shares of the Company by Calu upon completion of the Debt Conversion, as well as the exercise of the Option in Common Shares of the Company assuming

an Option price of CDN\$2,506,750 (which will change based on the exchange rate at the time of the exercise of the Option) and the share prices noted below:

Share Price	Number of Common Shares Owned or Controlled by Calu	Percentage of Number of Common Shares Issued and Outstanding After Debt Conversion and Option Exercise
\$0.10	55,297,000	66.83%
\$0.15	46,941,167	63.10%
\$0.20	42,763,250	60.91%

In the event the Option price is paid in cash, the payment of the cash consideration requires approval of the Company's shareholders pursuant to Section 501(c) of the TSX Company Manual relating to transactions with related parties.

### **Shareholder Approval of the Transaction**

At the Meeting, Shareholders will be asked to approve the Settlement Agreement and the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby.

In order for the transactions contemplated by Settlement Agreement and the Exploitation and Option to Purchase Agreement to proceed, the Transactions Approval Resolution, the full text of which is set forth below, must be approved by a simple majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting and entitled to vote, excluding the votes cast by such shareholders required to be excluded pursuant to MI 61-101 and the requirements of the TSX, including Section 501 of the TSX Company Manual (the "**Required Shareholder Approval**"). To the knowledge of the Company, only the Common Shares held by MER and Calu and their respective affiliates will be excluded from the required "majority of the minority" vote. See "– Canadian Securities Law Matters" below.

The Transactions Approval Resolution must receive the Required Shareholder Approval in order for the transactions contemplated by Settlement Agreement and the Exploitation and Option to Purchase Agreement to be completed. The enclosed form of proxy or voting instruction form permits shareholders to vote FOR or AGAINST the Transactions Approval Resolution. If you do not specify how you want your Common Shares voted, the persons named as proxyholders in the enclosed form of proxy or voting instruction form intend to cast the votes represented by proxy at the Meeting FOR the ordinary resolution approving the proposed transactions.

### **Interests of Certain Persons in the Transaction**

Except as otherwise disclosed in this Circular, none of the directors or officers of the Company, or to the knowledge of the directors and executive officers of the Company, any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon in connection with Settlement Agreement or the Exploitation and Option to Purchase Agreement and the transactions contemplated thereby or the Transactions Approval Resolution that would materially affect the transactions contemplated, except an interest arising from the ownership of the Common Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all shareholders.

## **Common Shares Held by Directors and Executive Officers**

As of May 26, 2023, the directors and executive officers of the Company beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 2,231,091 Common Shares, representing approximately 7.79% of the issued and outstanding Common Shares on an undiluted basis.

## **Canadian Securities Laws Matters**

### ***MI 61-101***

MI 61-101 applies where an issuer proposes to enter into a transaction or connected transactions with a related party, including transactions involving a purchase of assets from a related party for valuable consideration. MI 61-101 is intended to protect minority shareholder interests in a company, particularly where parties interested in a proposed transaction hold a large voting block of shares, to ensure procedural fairness to minority shareholders.

Under MI 61-101, a “related party” includes a control person of the entity, directors, executive officers and shareholders holding over 10% of the voting rights attached to the voting securities of the issuer. After converting the Calu Loan to Common Shares of the Company (for which shareholder approval is being sought at the Meeting), Calu will own or control Common Shares representing approximately 52.41% of the issued and outstanding Common Shares of the Company. As a result, Calu is a related party of the Company for the purposes of MI 61-101. In addition, the transactions proposed under the Settlement Agreement and the Exploitation and Option to Purchase Agreement will be entered with MER, a company controlled by Calu, and, as a result, MER is also a related party of the Company for purposes of MI 61-101.

MI 61-101 provides that certain “related party transactions” between an issuer and a “related party” are subject to the formal valuation and minority approval requirements set forth in MI 61-101. MI 61-101 provides that where an issuer acquires an asset from a related party, directly or through connected transactions, those transactions may be considered “related party transactions” for the purposes of MI 61-101. The transactions contemplated by Settlement Agreement and the Exploitation and Option to Purchase Agreement constitutes a “related party transaction” within the meaning of MI 61-101 because they involve a transaction between the Company and a related party. Specifically, pursuant to the terms and conditions of the Settlement Agreement MER will be taking control of the assets of Minas de Oroco and under the Exploitation and Option to Purchase Agreement, the Company may purchase the assets of Minas de Oroco from MER for cash or Common Shares as agreed between the parties going forward.

## **Minority Approval Requirements**

As the transactions contemplated in the Settlement Agreement and the Exploitation and Option to Purchase Agreement are related party transactions, the minority shareholder approval requirements of MI 61-101 apply to the transactions. The shareholder approval sought at the Meeting is intended to satisfy the minority shareholder approval requirements of MI 61-101.

MI 61-101 provides that, in addition to any other required securityholder approval, a related party transaction is subject to “minority approval” (as defined in MI 61-101, being a simple majority of the votes (50% + 1) cast by “minority” shareholders of each class of affected securities (as defined in MI 61- 101)), unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. In relation to approval of the transactions under the Settlement Agreement and the Exploitation and Option to Purchase Agreement, “minority approval” requires the approval of a simple majority (50% + 1) of the holders of Common Shares, other than Common Shares beneficially owned, or over which control or direction is exercised by: (a) the issuer; (b) an “interested party” (as defined in MI 61-101); (c) a “related party” to such interested party within the meaning of MI 61-101 (subject to certain exceptions); and (d) any person that is a joint actor with any party referred to in (b) or (c) (collectively, the “Excluded Shareholders”).

Calu, MER and their affiliates constitute Excluded Shareholders for the purposes of MI 61-101. To the knowledge of the Company, the Excluded Shareholders upon conversion of the Calu Loan will hold or be deemed to hold an aggregate of 57,675,656 Common Shares, representing approximately 52.41% of the issued and outstanding Common Shares of the Company. As a result, Common Shares held by the Excluded Shareholders will be excluded for purposes of calculating the requisite approvals of the Transactions Approval Resolution.

### **Formal Valuation**

MI 61-101 also provides that, unless an exemption is available, an issuer proposing to carry out a related party transaction is required to obtain a formal valuation in respect of the assets involved in the related party transaction from a qualified independent valuator. The Company is relying upon the exemption for a formal valuation provided by section 5.5(g) of MI 61-101 on the basis that (i) the demand for payment by MER of the Accendo Loan places the Company in serious financial difficulty, (ii) the transactions contemplated by Settlement Agreement and the Exploitation and Option to Purchase Agreement are meant to improve the financial position of the Company and (iii) the Board as well as the independent directors of the Board, acting in good faith, have determined that (A) the Company is in serious financial difficulty, (B) the transactions contemplated by the Settlement Agreement and the Exploitation and Option to Purchase Agreement are meant to improve the financial position of the Company and (C) the terms of the transactions are reasonable in the circumstances of the Company.

### **Risk Factors**

Shareholders should carefully consider the following risks related to the transactions contemplated by the Settlement Agreement and the Exploitation and Option to Purchase Agreement. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company, may also adversely affect the transactions. The following risk factors are not a definitive list of all risk factors associated with the transactions.

### ***Required Shareholder Approval***

The Transactions Approval Resolution requires that the transactions contemplated by the Settlement Agreement and the Exploitation and Option to Purchase Agreement be approved by a simple majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting and entitled to vote, excluding the votes cast by such shareholders that are required to be excluded pursuant to MI 61-10 and Section 501 of the TSX Company Manual. There can be no certainty, nor can the Company provide any assurance, that the required shareholder approval will be obtained. If the required shareholder approval is not obtained, the Company will not be able to complete the transactions contemplated by the Settlement Agreement and the Exploitation and Option to Purchase Agreement, which may have a material adverse effect on the Company, its business, financial condition, results of operations and cash flows.

### ***Purchase of Assets***

Under the Exploitation and Option to Purchase Agreement, the Company has the right to purchase the assets of Minas de Oroco in the future upon the payment of the applicable purchase price. However, there can be no assurance that the Company will or will have the financial resources to purchase the assets or Minas de Oroco as contemplated in the Exploitation and Option to Purchase Agreement.

### ***Risks Relating to the Company***

Whether or not the asset purchase transaction is completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Company's Annual Information Form for the year ended December 31, 2022 and the Company's

most recent Management's Discussion and Analysis, which are available under the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **The Transactions Approval Resolution**

Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution at the Meeting to permit the transactions contemplated by the Exploitation and Option to Purchase Agreement (the "**Transactions Approval Resolution**"). The complete text of the Transactions Approval Resolution, which management intends to place before the Meeting for confirmation and ratification, with or without modification, is as follows:

**"IT IS HEREBY RESOLVED** that:

1. The transactions contemplated by the Settlement Agreement and the Exploitation and Option to Purchase Agreement between the Company and MER are hereby authorized and approved.
2. The Settlement Agreement is hereby approved with such changes or alterations as any director or officer of the Company may deem necessary or advisable and the execution and delivery of the Settlement Agreement on behalf of the Company is hereby authorized.
3. The Exploitation and Option to Purchase Agreement is hereby approved with such changes or alterations as any director or officer of the Company may deem necessary or advisable and the execution and delivery of the Exploitation and Option to Purchase Agreement on behalf of the Company is hereby authorized.
4. The Company is hereby authorized to deliver the assets of Minas de Oroco to MER to settle the Accendo Loan in full.
5. The Company is hereby authorized to operate the assets of Minas de Oroco and to purchase the assets of Minas de Oroco from MER pursuant to the terms of the Exploitation and Option to Purchase Agreement and to pay the purchase price for the purchase of the assets in cash or Common Shares of the Company as agreed by the parties.
6. Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute, or to cause to be executed, whether under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this resolution, including, without limitation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.
7. All actions heretofore taken by or on behalf of the Company in connection with any matter referred to in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTIONS APPROVAL RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "For" the ordinary resolution to permit the contemplated transactions.** To be effective, the Transactions Approval Resolution must be passed by not less than the majority of the votes cast by minority shareholders of the Company in person or by proxy at the Meeting as provided in MI 61-101.

### **6. 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 which may be obtained by email to [abalic@goldgroupmining.com](mailto:abalic@goldgroupmining.com). Shareholders may also 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 Company 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 of Directors.

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

*(Signed) Anthony Balic*  
Chief Executive Officer (interim) and Chief Financial Officer