



**INFORMATION CIRCULAR**

**FOR THE**

**ANNUAL AND SPECIAL MEETING**

**OF THE SHAREHOLDERS OF**

**GOLDGROUP MINING INC.**

**TO BE HELD ON**

**WEDNESDAY, JUNE 11, 2014**

**Dated as of:**

**MAY 7, 2014**



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting of the shareholders (the "Meeting") of Goldgroup Mining Inc. (the "Company" or "Goldgroup") will be held at the offices of Davis LLP, located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, Canada, **on Wednesday, June 11, 2014 at 11:00 a.m. (PST)**, for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2013 together with the report of the auditor thereon;
2. to fix the number of directors at seven;
3. to elect directors of the Company for the ensuing year;
4. to appoint Grant Thornton LLP as the auditors of the Company and to authorize the directors to fix the auditors' remuneration;
5. to consider and, if deemed advisable, to pass, with or without variation, a resolution approving a new stock option plan of the Company, as more fully described under the heading "Particulars of Matters to be Acted Upon" in the Company's management information circular provided along with this notice; 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, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and, for those registered shareholders who so requested, a copy of the audited consolidated Financial Statements and Management Discussion and Analysis ("MD&A") of the Company for the financial year ended December 31, 2013. Shareholders are able to request to receive copies of the Company's annual and/or interim financial statements and MD&A on the form of proxy or voting instruction form, as applicable. The audited consolidated financial statements and MD&A of the Company for the financial year ended December 31, 2013 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 11:00 a.m. (PST) on June 9, 2014, 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 7, 2014 as the record date being the date for the determination of the registered holders of common shares entitled to receive notice of and to vote at the Meeting and any adjournment thereof. Goldgroup shareholders are requested to complete and return the enclosed form of proxy to ensure that your Goldgroup common shares will be represented at the Meeting, whether 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 [mclark@goldgroupmining.com](mailto:mclark@goldgroupmining.com).

**DATED** at Vancouver, British Columbia this 7<sup>th</sup> day of May, 2014.

By Order of the Board of Directors

*(Signed) "Keith Piggott"*

Keith Piggott

Chairman, CEO & President

## INVITATION TO SHAREHOLDERS

### Dear Shareholder:

On behalf of Goldgroup Mining Inc.'s (the "Company") board of directors (the "Board of Directors"), management and employees, we invite you to attend our Annual and Special Meeting (the "meeting") of Shareholders on June 11, 2014 to be held at the offices of Davis LLP, located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, Canada, at 11:00 a.m. (PST).

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

We encourage you to vote, which can easily be done by following the instructions enclosed with this management proxy circular. Following the formal portion of the meeting, management will review the Company's operation and financial performance during 2013 and provide an outlook on priorities for 2014 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 2013 Annual Report, are available on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com). We encourage you to visit our web site during the year for information about our Company, including news releases and investor presentations. To ensure you receive the latest news on the Company you can subscribe through our web site. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

We look forward to seeing you at the meeting.

Yours sincerely,

(Signed) "Keith Piggott"

Keith Piggott  
Chairman, CEO & President

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

This management proxy circular is dated May 7, 2014 and is furnished in connection with the solicitation by or on behalf of the management of Goldgroup Mining Inc. (“Goldgroup”, the “Company”, “our” or “we”) of proxies to be used at the Annual and Special meeting of shareholders of Goldgroup to be held at the offices of Davis LLP, located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, Canada on June 11, 2014 at 11:00 a.m. (PST) for the purposes indicated in the Notice of Annual and Special Meeting. It is expected that solicitation will be primarily by mail, but proxies may also be solicited personally, by telephone or facsimile or other similar means by Goldgroup employees or agents. Custodians and fiduciaries will be supplied with proxy materials to forward to beneficial owners of common shares of Goldgroup. The record date to determine which shareholders are entitled to receive notice of and vote at the meeting is May 7, 2014.

Your vote is very important to us. We encourage you to exercise your vote using any of the voting methods described herein. To be valid, completed proxy forms must be dated, completed, signed and deposited with our transfer agent, Computershare Trust Company of Canada (“Computershare”): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare, 9th 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 11:00 a.m. (PST) on June 9, 2014. Please read the following for commonly asked questions and answers regarding voting and proxies.

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

**A.** You are entitled to vote if you are a holder of common shares of Goldgroup as of the close of business on May 7, 2014, the record date for the meeting. Each common share is entitled to one vote. A simple majority of votes (50% plus one vote) is required to approve all matters. The list of registered shareholders maintained by Goldgroup will be available for inspection after May 7, 2014, during usual business hours at the offices of Computershare located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia and will be available at the meeting.

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

**A.** You will be voting:

- to elect directors of the Company for the ensuing year;
- to appoint Grant Thornton LLP as the auditors of the Company and to authorize the directors to fix the auditors’ remuneration; and
- to approve a new stock option plan.

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

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

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

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

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

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

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

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

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

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

- FOR the election of directors from those nominees set out in this management proxy circular;
- FOR the appointment of Grant Thornton LLP as auditors; and the authorization of the directors to fix the auditors' remuneration; and
- FOR the approval of a new stock option plan.

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

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

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

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

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

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

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

1. completing and signing a proxy bearing a later date, and delivering it to Computershare; or
2. delivering a written statement revoking your proxy, signed by you or your authorized attorney to:
  - (a) the Corporate Secretary of Goldgroup Mining Inc. at Suite #1502 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada at any time up to and including the last business day prior to the meeting, or the business day preceding the day to which the meeting is adjourned; or
  - (b) to the Chairman of the meeting prior to the start of the meeting.

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

**Q. Is my vote confidential?**

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

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

**A.** As of May 7, 2014, there were **136,436,575** common shares outstanding. We have no other class or series of voting shares outstanding.

**Q. What is electronic delivery?**

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

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

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

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

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

If you have a question regarding the meeting, please contact Computershare at 1-877-982-8760 or visit [www.computershare.com](http://www.computershare.com).

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

**A.** If you have a question regarding the meeting, please contact Computershare at 1-877-982-8760 or visit [www.computershare.com](http://www.computershare.com).



## MANAGEMENT INFORMATION CIRCULAR

(all information as at May 7, 2014 unless otherwise noted)

### THE MEETING

This information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of Goldgroup Mining Inc. (the "Company", or "Goldgroup") for use at the Annual and Special Meeting (the "Meeting") of shareholders of the Company (the "Shareholders") to be held on Wednesday, June 11, 2014, at 11:00 a.m. (PST), or any adjournment thereof, at the offices of Davis LLP, located at 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, 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 7, 2014. This Information Circular, the Notice of Meeting and accompanying Proxy are being mailed on or about May 15, 2014. In this Information Circular, references to "the Company", "Goldgroup", "we" and "our" refer to Goldgroup Mining Inc. "Common Shares" means common shares without par value in the capital of the Company, "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. Unless otherwise indicated, all references to "\$" or "dollars" in this Information Circular mean United States dollars.

### REVOCABILITY OF PROXIES

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

**A Shareholder desiring to appoint some other person or company to represent him or her at the Meeting may do so either by inserting the name of such person or company in the blank space provided in the accompanying form of proxy and striking out the names of the management nominees or by duly completing another proper form of proxy and, in either case, depositing the completed proxy at the offices of the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Ave., 9th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 before the specified time described in the previous section.**

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

A later dated proxy or notice of revocation must be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and delivered by fax at 1-866-249-7775 (toll free in Canada and the United States) or 416-263-9524 (outside of Canada and the United States), or by mail (via postage paid return envelope) at Computershare Investor Services Inc., attention: Proxy Department, 100 University Ave., 9th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1 or to the head office of the Company located at Suite #1502 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada.

A later dated proxy must be received before 11:00 a.m. (PST) on June 9, 2014, or if the Meeting is adjourned, the day that is two business days before any reconvening thereof at which the Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other provided by law. Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy. A revocation of proxy will not affect a matter on which a vote is taken before the revocation.

## EXERCISE OF DISCRETION

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

### *Persons Making the Solicitation*

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

## COMPLETION AND PROXY INSTRUCTIONS

### *Voting of Proxies*

The Common Shares represented by the accompanying form of proxy (if the same is properly executed in favour of Keith Piggott, Donald R. Siemens or Michael Clark, the management nominees, and is received at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 100 University Ave., 9th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1, by no later than 11:00 a.m. (PST) on June 9, 2014 or, if the Meeting is adjourned, then not less than 48 hours (excluding Saturdays, Sundays and holidays) before any such adjourned meeting), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made. **In the absence of such a specification, the person designated in the accompanying form of proxy will vote in favour of all matters to be acted on at the Meeting.**

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

### *Registered Holders*

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

### *Non-Registered Shareholders*

**Many Shareholders are "non-registered" shareholders because the shares of the Company they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.** More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, 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.

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

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

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

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Information Circular, the form of proxy/VIF and related documents (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs with a “request for voting instruction form which, when properly completed and signed by such OBO and returned to the Intermediary or its service company will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own. Should an OBO wish to vote at the Meeting in person, the OBO should follow the procedure in the request for voting instructions provided by or on behalf of the Intermediary and request a form of legal proxy which will grant the OBO the right to attend the Meeting and vote in person. **OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. The Company does not intend to pay for Intermediaries to deliver to OBOs the Meeting Materials. Accordingly, OBOs will not receive the Meeting Materials unless their Intermediary assumes the costs of delivery.**

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

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

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

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

The Record Date for determining persons entitled to receive notice of and vote at the Meeting is May 7, 2014. Only persons who were Registered Shareholders as of the close of business on May 7, 2014 are entitled to vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Information Circular. A quorum for the Meeting shall be two persons present in person, each being a shareholder entitled to vote or appointed by proxy, and holding together or representing by proxy not less than 5% of the outstanding shares of the Company entitled to vote at a meeting.

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

The Company’s authorized capital consists of an unlimited number of common shares without par value. As at the date hereof, the Company has issued and outstanding **136,436,575** fully paid and non-assessable common shares, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities. The outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “GGA”.

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

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Keith Piggott	15,371,445 <sup>(1)</sup>	11.27%

(1) This amount includes 11,582,011 common shares held by Happy Holdings Limited and 3,789,434 directly held by Keith Piggott. Keith Piggott is a beneficial shareholder of Happy Holdings Limited.

### VOTES NECESSARY TO PASS RESOLUTIONS

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

### ELECTION OF DIRECTORS

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

At the Meeting, the Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at seven(7). Such resolution will be approved if the majority of Common Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour thereof. At the Meeting, the Company will ask Shareholders to vote for the election of the seven nominees proposed by the Company as directors. Each holder of common shares will be entitled to cast their votes for, or withhold their votes from, the election of each director. The management proxyholders named in the accompanying form of proxy as proxyholders intend to vote for the election of all nominees whose names are set forth in this Information Circular, unless instructed otherwise.

#### *Majority Voting for Directors*

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

#### *Nominees*

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

In addition, the table shows the nominees' current equity ownership consisting of common shares beneficially owned, directly or indirectly, or controlled or directed, and options credited to, each nominee. For additional information regarding compensation, options, equity ownership, and current directorships, please refer to the Statement of Executive Compensation, Director Compensation, Statement of Corporate Governance Practices and Other Directorships. Below includes the attendance of each director for the Board of Directors meetings and various committee meetings held between January 1, 2013 to the date of this Information Circular, being May 7, 2014.

Name of Director	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Options Held																		
<b>Keith Piggott</b>																				
 Sonora, Mexico Director since: August 2006 Non-Independent Member of the Board	15,371,445 <sup>(1)</sup>	1,500,000																		
	Principal Occupation for the Past Five Years: Keith Piggott is currently the President, Chief Executive Officer, Chairman and a Director of the Company. Mr. Piggott is the Legal Representative of Gramin S.A. de C.V. and Minera Secotec S.A. de C.V. Over the last 40 years, Mr. Piggott has started and operated numerous underground, open cut and beach sand mines in Zambia, Australia and Mexico. In addition to producing copper, cobalt, rutile, zircon, tungsten and tin at various times, he has spent the majority of his career producing gold and silver. He has undertaken exploration work in Australia, Papua New Guinea, Chile, the United States and various regions of Central America. He has experience in Mexico which has come through operating a number of gold mines in the region for nearly 10 years. He earned a Mining Engineering degree from the Camborne School of Mines in 1964 and completed the Executive Development Course at the London Business School in 1972.																			
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- (1) Of the 15,371,445 common shares, 11,582,011 common shares are held by Happy Holdings Limited and 3,789,434 are held directly by Keith Piggott.
- (2) Mr. Piggott was the Company's CEO from April 30, 2010 and President from March 25, 2011 to October 11, 2012 whereby Mr. Sedun replaced him as Interim President and CEO. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013. Mr. Piggott was appointed as Chairman, President & CEO of the Company on June 23, 2013.
- (3) Keith Piggott is not independent as he is currently the Company's President, Chairman and CEO.

<b>Gregg J. Sedun</b>																				
 British Columbia, Canada Director since: April 2010 Non-Independent Member of the Board Member of the SC	1,715,500 <sup>(1)</sup>	1,050,000																		
	Principal Occupation for the Past Five Years: Mr. Sedun is President and CEO of Global Vision Capital Corp., a venture capital company based in Vancouver Canada, as well as a director/officer of numerous public companies.																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Board/Committee Membership</th> <th style="text-align: center;">Attendance (3)</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">10 of 10</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Strategic Committee</td> <td style="text-align: center;">0 of 0</td> <td style="text-align: center;">N/A</td> </tr> </tbody> </table>			Board/Committee Membership	Attendance (3)	%	Board	10 of 10	100%	Strategic Committee	0 of 0	N/A									
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200,000	\$0.10	November 18, 2018																		

- (1) Of the 1,715,500 common shares, 750,000 common shares are held by GJS Capital Corp. and 965,500 are held directly by Gregg Sedun.
- (2) Gregg J. Sedun is not independent as he held the position of Executive Chairman from April 30, 2010 to November 13, 2012 and also Interim President & CEO from October 11, 2012 to November 13, 2012.
- (3) The Strategic Committee was formed on November 14, 2013. As of the date of this Information Circular the Strategic Committee has not met.

Name of Director	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Options Held																																			
<b>Corry J. Silbernagel</b>																																					
 <p>British Columbia, Canada Director since: May 2010 Independent Member of the Board Member of the AC Member of the GNC Chair &amp; Member of the CC Chair &amp; Member of the SC</p>	500,907	500,907																																			
	Principal Occupation for the Past Five Years: Mr. Silbernagel is Partner of Bond Capital, a Vancouver-based private equity fund. He currently is a Director of Expedition Mining Inc. 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. As a professional engineer, he 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. He holds a Masters of Business Administration from INSEAD in France and a Bachelor's degree in Applied Science in Civil Engineering from the University of British Columbia.																																				
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<b>Donald R. Siemens</b>																									
 <p>British Columbia, Canada Director since: June 2013 Independent Member of the Board and Lead Director Chair &amp; Member of the AC Member of the CC Chair &amp; Member of the GNC Chair &amp; Member of the SC</p>	Nil	500,000																							
	Principal Occupation for the Past Five Years: Currently, as an independent financial advisor, Mr. Siemens specializes in Corporate Finance, cross-border transactions and Mergers & Acquisitions. Mr. Siemens brings over 30 years of experience to the board as a Chartered Accountant, including 8 years in public practice as a partner with major accounting firms, 8 years in senior executive positions in the industry and 18 years as a self-employed Financial Services executive. He currently serves as a director and Audit Committee Chair for five other public companies: Argentex Mining Corporation, Boss Power Corp., Hansa Resources Limited, Nikos Explorations Ltd, and Spur Ventures Inc. He also serves as a Director and Audit Committee member of Great Western Minerals Group Inc. Previously, Mr. Siemens was Partner-in-Charge of Thorne Ernst & Whinney's (now KPMG) Vancouver office Financial Advisory Services group. Mr. Siemens holds a Chartered Accountant designation and a B.A. from the University of British Columbia.																								
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(1) Mr. Siemens became a Director of the Company on June 11, 2013. His attendance is based on meetings that took place while he was a director.

(2) The Strategic Committee was formed on November 14, 2013. As of the date of this Information Circular the Strategic Committee has not met.

Name of Director	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Options Held														
<b>Enrique A. Peralta</b>																
 Mexico City, Mexico Director since: June 2013 Non-Independent Member (2) of the Board Member of the GNC	Nil	300,000														
	Principal Occupation for the Past Five Years: In 2006, Mr. Peralta established a boutique law firm, Peralta Abogados, S.C. located in Mexico. Peralta Abogados, S.C. specializes in Corporate and regulatory compliance in Mexico including corporate mergers, acquisitions, capital market transactions and general corporate law amongst other things. Mr. Peralta's professional career commenced in 1979 whereby his practice primarily worked with the Ministry of Finance participating in the negotiations of international financial transactions entered into by Mexican public sector entities.															
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300,000	\$0.10	November 18, 2018														

- (1) Mr. Peralta became a Director of the Company on June 11, 2013. His attendance is based on meetings that took place while he was a director.
- (2) Mr. Enrique A. Peralta is a principal of Peralta Abogados, S.C. located in Mexico who provide legal services to the Company. Therefore, Mr. Peralta is considered a Non-Independent member of the Board of Directors.

<b>Javier Reyes</b>																			
 Mexico City, Mexico Director since: June 2013 Independent Member of the Board Member of the AC Member of the CC	Nil	300,000																	
	Principal Occupation for the Past Five Years: Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a company that manages four hedge funds which are located in Tortola, British Virgin Islands. 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).																		
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- (1) Mr. Reyes became a Director of the Company on June 11, 2013. His attendance is based on meetings that took place while he was a director.

Name of Director	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed	Number of Options Held						
<b>Gabino Fraga Pena</b>								
 Polanco, Mexico Director since: June 2011 Non-Independent Member of the Board	Nil	300,000						
	Principal Occupation for the Past Five Years: Mr. Fraga Pena has specialized in Mexican Agrarian Law for over 20 years. Mr. Fraga Pena is a founding partner and Chief Executive Officer of Grupo GAP. Grupo GAP has provided services to such companies as Alamos Gold Limited, Agnico-Eagle Limited, Western Silver Corp., Goldcorp, Grupo Mexico and Pan American Silver. Mr. Fraga Pena has been a lecturer and speaker in various forums such as the Agrarian Law and Procedure, Faculty of Law, Universidad Nacional Autónoma de México and the National and International Forums. Mr. Fraga Pena is currently a Director of International Private Wealth Management España, S.A. and also a Director of Rancho los Catorce and Ayacucho. During Mr. Fraga Pena's career he has held such positions as: Secretariat of Energy, Mines and Industry, Parastatal, Subsecretariat of Industry, Parastatal Transformation; Legal adviser in primary issues for the Subsecretariat, Chamber of Deputies of Honourable Congress of the Union LIII Legislature; Advisor to the Federal Commission of Electricity.							
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- (1) Mr. Fraga Pena is a principal of Grupo GAP and provides services to the Company as a principal of this firm and therefore is not independent.
- (2) Mr. Fraga Pena became a Director of the Company on June 11, 2013. His attendance is based on meetings that took place while he was a director.

**Notes:**

- (1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.
- (2) The Audit Committee shall meet four times annually, or more frequently as circumstances dictate. The Audit Committee was comprised of Donald R. Siemens (Chairman), Corry J. Silbernagel and Javier Reyes for the year ended December 31, 2013. Mr. Lenard Boggio was the Chairman of the Audit Committee until June 11, 2013 at which time he did not stand for re-election as a Director. Mr. Chester Millar was a member of the Audit Committee until June 11, 2013 at which time he did not stand for re-election as a Director.
- (3) The Compensation Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Compensation Committee was comprised of Corry J. Silbernagel (Chairman), Donald R. Siemens and Javier Reyes for the year ended December 31, 2013. Mr. Lenard Boggio was a member of the Compensation Committee until June 11, 2013 at which time he did not stand for re-election as a Director. Dr. Hans von Michaelis was a member of the Compensation Committee until June 26, 2013.
- (4) The Governance & Nominating Committee will meet as often as the Chair shall determine to be necessary or appropriate. The Governance & Nominating Committee was comprised of Donald R. Siemens (Chairman), Corry J. Silbernagel and Enrique A. Peralta for the year ended December 31, 2013. Mr. Lenard Boggio was a member of the Governance & Nominating Committee until June 11, 2013 at which time Mr. Boggio did not stand for re-election as a Director.
- (5) The Special Committee was dissolved on June 26, 2013 as the Board of Directors concluded that the Special Committee was no longer required.
- (6) The Strategic Committee was formed on November 14, 2013. The Strategic Committee was comprised of Donald R. Siemens (Chairman), Corry L. Silbernagel and Gregg J. Sedun for the year ended December 31, 2013. As of the date of this Information Circular the Committee has not met.

As of May 7, 2014, the current directors of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 17,587,852 Common Shares (excluding stock options granted) or approximately 12.89% of the Common Shares issued and outstanding. To the knowledge of the Company there are no common share owned directly or indirectly by the Nominee Directors.

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

Except as disclosed below, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or was within 10 years before the date of this Information 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 proposed director 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 proposed director 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.

On September 9, 2006, the British Columbia Securities Commission issued a cease trade order against all of the directors of Diamond Field International Limited, including Gregg J. Sedun, who was a director at the time, for that company’s failure to file comparative financial statements for its financial year ended June 30, 2006, Management’s Discussion and Analysis for the year ended June 30, 2006 and Annual Information Form for the year ended June 30, 2006. On November 1, 2006, the cease trade order was revoked when all required filings were made. On April 4, 2007, a management cease trade order was issued against all of the then directors of the Company, including Keith Piggott, for the Company’s failure to file its financial statements by the required filing date under applicable Canadian securities laws for the fiscal year ended December 31, 2006. The cease trade order was lifted on June 28, 2007.

To the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in 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;
- (b) has, within the 10 years before the date of this Information 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 proposed director;
- (c) 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
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

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

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

To the best of the Company’s knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company’s Management Discussion & Analysis for the fiscal year ended December 31, 2013.

The former Executive Chairman, Interim President and Chief Executive Officer of the Company was the President, Chairman and Chief Executive Officer of Uracon Resources Ltd. (“Uracon”). The companies shared common office premises and entered into a cost sharing arrangement, effective February 1, 2007 to January 25, 2013. The Company terminated the Agreement with Uracon there are no outstanding agreements in place.

At December 31, 2013, receivables included \$nil owing from Uracon (2012- \$701) for unpaid share of rent, administration staff salary and general office expenses. As at December 31, 2013, there was a balance of \$nil owing from any officer of the Company.

## 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, 2013, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.goldgroupmining.com](http://www.goldgroupmining.com).

### **Composition, Name of Audit Committee Member, Relevant Experience and Qualifications During the Year Ended December 31, 2013**

Audit Committee Member	Relevant Experience and Qualifications <sup>(1) (2)</sup>
<b>Donald R. Siemens</b> <sup>(3)</sup> Independent Member of the Board of Directors Financially Literate	Mr. Siemens became a director of Goldgroup in June 2013. Mr. Siemens specializes in Corporate Finance, cross-border transactions and Mergers & Acquisitions. Mr. Siemens brings over 30 years of experience to the board as a Chartered Accountant, including 8 years in public practice as a partner with major accounting firms, 8 years in senior executive positions in the industry and 18 years as a self-employed Financial Services executive. He currently serves as a director and Audit Committee Chair for five other public companies: Argentex Mining Corporation, Boss Power Corp., Hansa Resources Limited, Nikos Explorations Ltd, and Spur Ventures Inc. He also serves as a Director and Audit Committee member of Great Western Minerals Group Inc. Previously, Mr. Siemens was Partner-in-Charge of Thorne Ernst & Whinney's (now KPMG) Vancouver office Financial Advisory Services group. Mr. Siemens holds a Chartered Accountant designation and a B.A. from the University of British Columbia.
<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 Masters of Business Administration from INSEAD in Fontainbleau, France and a Bachelors degree in Applied Science in Civil Engineering from the University of British Columbia.
<b>Javier Reyes</b> <sup>(4)</sup> Independent Member of the Board of Directors Financially Literate	Mr. Reyes became a director of Goldgroup in June 2013. Mr. Reyes is the Founder (2004), President and Chief Executive Officer of Antares Capital Management Ltd., a company that manages four hedge funds which are located in Tortola, British Virgin Islands. Mr. Reyes holds a Bachelor's Degree in Economics and Business Administration and also holds a Masters in Finance. He began his professional and financial services career in 1996 at a well-known brokerage firm in Mexico City. In 2001, he founded a financial consultancy company, where he became the CEO. Mr. Reyes is the founder, President and Chief Executive Officer of the Antares Capital Management and Cygnus Asset Management, and manages 3 hedge funds: Antares Capital Fund, Antares Oil & Gas Fund and Cygnus Real Estate Opportunity Fund. Mr. Reyes currently holds the following positions: President of Credipresto, S.A. de C.V. ENR. (since 2007) and President of Mex e Trade Asesores, S.C. (since 2004). Mr. Reyes has also held the following positions: Chief Executive Office of Mex e Trade On Line, S.C. (2001-2003); Financial Manager of Fabrica de Calzado Liz Ardel, S.A. (1998-2000); and Financial Advisor of Estrategia Bursatil, S.A. (1995-1997).

#### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Mr. Siemens was appointed as a member and Chairman of the Audit Committee effective June 11, 2013.
- (4) Mr. Reyes was appointed as a member of the Audit Committee effective June 11, 2013.

### *Audit Committee Oversight*

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

## STATEMENT OF EXECUTIVE COMPENSATION

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

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

The Company's current NEOs are Keith Piggott, Michael Clark, Dustin VanDoorselaere and Mark Henry.

### *Compensation Discussion and Analysis*

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

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

The two basic components of executive compensation have been a fixed salary and performance-based variable incentive compensation which is comprised of stock option grants (the "Total Direct Compensation"). The allocation of Total Direct Compensation value to these different compensation elements is not based on a formula, but rather is intended to reflect market practices as well as the Compensation Committee's discretionary assessment of an executive officer's past contribution and ability to contribute to future short and long-term business results. The Compensation Committee assists the Board in fulfilling its responsibility to shareholders, potential shareholders and the investment community by reviewing and providing recommendations to the Board regarding compensation of the Company's executive officers, employees and directors, succession plans for executive officers, and the Company's overall compensation and benefits policies, plans and programs. The Compensation Committee is responsible for establishing, administering and evaluating the compensation philosophy based on criteria, including the Company's performance for the accomplishment of long-term strategic objectives. The Compensation Committee oversees the Company plans, i.e. the Stock Option Incentive Plan. In the determination of compensation for the executive management and directors, the Compensation Committee will utilize any or all of the following: compensation surveys, peer comparison, analysis, compensation consultants and any other reference or means deemed appropriate. All of the members of the Compensation Committee have experience setting compensation for executives in companies of similar size to the Company.

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

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

### *Executive Compensation-Related Fees*

During the last two fiscal year ends only one consultant was retained with respect to executive compensation related fees. On January 12, 2012 the Company entered into a consulting agreement with Lane Caputo Compensation Inc., a compensation consultant who was retained to assist in advising the Compensation Committee in determining compensation for any of the Directors and Officers of the Company. During the year ended December 31, 2013, there were no fees paid with respect to executive compensation related fees.

### *All Other Fees*

There were no other fees other than disclosed above under Executive Compensation-Related Fees.

### *Base Salary*

Base salary is the fixed portion of Total Direct Compensation and was designed to provide income certainty and to attract and retain executives. Base salaries for NEOs are reviewed annually. During the 2013 fiscal year there were no increases in compensation.

### *Long-term Incentives*

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

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

For the 2013 fiscal year, the Compensation Committee reviewed all compensation to be awarded to the NEOs.

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

During the last two fiscal year ends only one consultant was retained with respect to executive compensation related fees. On January 12, 2012 the Company entered into a consulting agreement with Lane Caputo Compensation Inc., a compensation consultant who was retained to assist in advising the Compensation Committee in determining compensation for any of the Directors and Officers of the Company. During the year ended December 31, 2013, there were no fees paid with respect to executive compensation related fees.

### *The Role of Management*

For the 2013 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 2013.

The CEO did not engage in discussions with the Compensation Committee regarding his own Total Direct Compensation in 2013. During the 2013 the CEO did not receive a salary.

### *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 2013 corporate performance results are noted in the section "*Overall Corporate Performance*", below.

### *Individual Performance*

During the 2013 fiscal year there were no increases in compensation. During 2013, the compensation of the CFO and VP Operations was fixed and the CEO did not receive a salary. Mark Henry, General Manager of Cerro Colorado, received a fixed compensation and also received a production bonus in the amount of \$27,286 for meeting specific production targets.

### *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*

For the purposes of Total Direct Compensation deliberations, the Compensation Committee reviewed the 2013 corporate performance results, including the information noted below. The Compensation Committee used this information to determine an overall rating to provide general context for the review of individual performance by the NEOs.

#### Highlights and Developments included:

- On August 30, 2013 the Company completed the acquisition of the Cerro Prieto Project from Oroco Resources Corp. ("Oroco") by acquiring all of the issued and outstanding shares of Minera Polymetalicos Mexicanos, S.A. ("Polymetalicos"), thereby indirectly acquiring Minas de Oroco Resources, S.A. de C.V. ("MOR"). MOR owns a 100% interest in the Cerro Prieto project located in Sonora, Mexico. The Cerro Prieto project was acquired for total consideration of \$8,105,506.
- On August 30, 2013 the Company closed a loan agreement (the "Loan Agreement"). The Company borrowed \$4,027,300 (CDN\$4,250) (the "Bridge Loan") from a wholly owned subsidiary of a New York-based, private institutional investor (the "Lender") for the purpose of paying the initial cash payment of \$4,500,000 to Oroco for the Cerro Prieto Project. The Loan is for a term of 16 months and is secured against all of the assets of the Company and its subsidiaries. The interest rate of the loan is 15% per annum. The principal and interest will be repaid with nine equal monthly payments commencing April 30, 2014 and ending December 31, 2014.

- On January 22, 2013 Goldgroup announced that it had moved to dismiss as totally without merit a lawsuit filed against it and others in Dallas County District Court by DynaResource. On October 28, 2013 Goldgroup announced that it filed a legal action before the appropriate criminal authorities in Mexico concerning recent activities undertaken by Koy Wilber Diepholz (“Diepholz”), shareholder, President and Chairman of the Board of Directors of DynaMexico and Chairman, Chief Executive Officer and Treasurer of DynaUSA. The purpose of the legal action case is to investigate whether illegal acts were committed by Diepholz, in his role as CEO of DynaMexico, for his own benefit and for the benefit of DynaUSA.

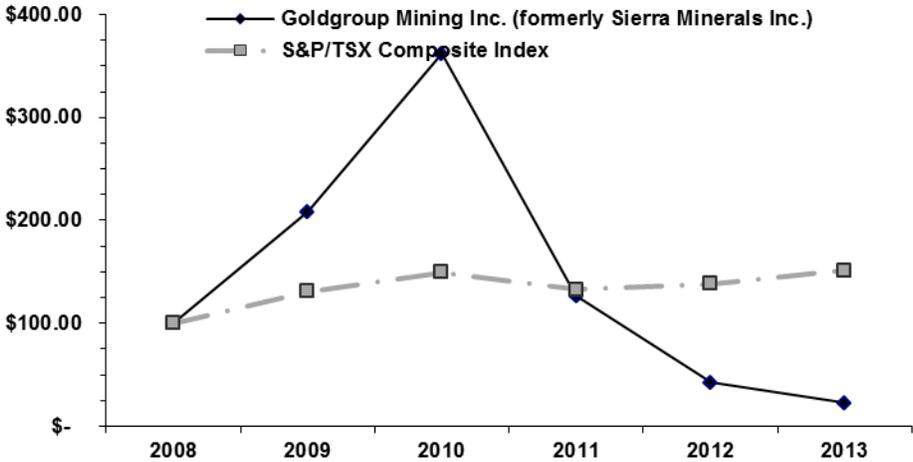
### Subsequent Events

- On January 9, 2014 the Company announced that it had started production and produced 285 ounces of gold from the initial gold production in December 2013 from its Cerro Prieto Project.
- On January 14, 2014, the Company announced that it had obtained an injunction against issuance of the 300 new shares purportedly issued by DynaResources de Mexico, S.A. de C.V. ("DynaMex") in favor of DynaResource, Inc. ("DynaUSA") from a Federal Judge of the Mexican Court. The injunction freezes the shares pending trial regarding DynaMex's issuance of the new shares. Before the new shares were purportedly issued, Goldgroup was a 50% shareholder in DynaMex, the company that owns the San Jose de Gracia high-grade gold project in Sinaloa, Mexico. DynaUSA was a 49% shareholder, and Koy Wilber Diepholz ("Diepholz"), DynaUSA's Chairman, Chief Executive Officer and Treasurer, held the remaining 1% interest. This injunction is part of a number of cases being brought by Goldgroup against Diepholz in the Mexican Courts, including the criminal action to investigate whether illegal acts were committed by Diepholz, in his role as CEO of DynaMex, for his own benefit and for the benefit of DynaUSA.
- On February 27, 2014 the Company announced that it received the permit for use of explosives from the Mexican military called SEDENA ("Secretary of National Defense"). This represents the final permit necessary for full-scale operations at the Cerro Prieto project.
- On March 11, 2014 the Company announced that DynaResource dropped its lawsuit in Dallas County District Court.
- On March 14, 2014 the Company filed for arbitration in Denver, Colorado, against DynaResource Inc. to protect its interests pursuant to the San Jose de Gracia earn-in option agreement dated September 1, 2006.
- On March 31, 2014 the Company announced that Sonoran Resources LLC and its Mexican subsidiary, SR Servicios Mineros, S.A. de C.V. (jointly, “Sonoran”), have filed a lawsuit in Arizona, USA against Oroco Resource Corp. (“Oroco”), Minas de Oroco Resources S.A. de C.V. (“Minas de Oroco”) and Goldgroup. The lawsuit arises from Oroco’s sale of the Cerro Prieto project to Goldgroup (the “Acquisition”) and pertains to certain contracts (the “Sonoran Contracts”) that were in place between Oroco, Minas de Oroco and Sonoran prior to the Acquisition. Sonoran alleges that Goldgroup breached contracts between Sonoran and Oroco and Minas de Oroco, to which Goldgroup was not a party, and that it intentionally interfered with Sonoran’s business expectations, causing the loss of net profits from the fees claimed to be payable pursuant to the Sonoran Contracts if they had been carried out. Goldgroup is protected by an indemnity agreement between it and Oroco, which includes all damages and costs that relate to a lawsuit such as this. Sonoran is seeking damages in an amount to be determined at trial, but claimed to be in excess of US\$3,000,000. Goldgroup maintains that the Sonoran Contracts were terminated in accordance with the terms of those contracts. It is Oroco's position that this lawsuit, and the various claims being advanced in it by Sonoran, is an ill-advised legal strategy intended to force Oroco to pay a net US\$177,066.43 (after deduction for double-billing by Sonoran) in unsupported, post-closing invoices.

### *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 \$0.08 on the TSX at December 31, 2013, a decrease of approximately 79% over the year before. From 2008 to 2013, Goldgroup’s share price decreased approximately 478%. The following chart compares the total cumulative shareholder return for \$100 invested in the Company’s common shares since December 31, 2008, with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed fiscal years of the Company.

Since 2008, Goldgroup has experienced significant changes, specifically in 2010, 2011, 2012 and 2013 with the acquisition and disposition of certain assets, and market fluctuation. Goldgroup’s compensation to the Named Executive Officers has stayed relatively flat since 2006, with the exception of severances paid in 2012 and 2013 to certain NEO’s. Also a significant portion of NEO compensation is based on long-term incentives with the ultimate value received tied directly to Goldgroup’s share price performance.



Five Year Cumulative Return on \$100 Investment

	For the financial years ended					
	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013
Goldgroup Mining Inc.	\$100	\$208	\$362	\$127	\$ 42	\$ 22
S&P/TSX Composite Index	\$100	\$131	\$150	\$133	\$138	\$152

**Stock Options**

*Stock Option Granting Process*

Grants of stock options are made pursuant to the Company’s current stock option plan (the “Current Plan”) and are typically made annually and for new employees, at the next quarterly meeting of the Board of Directors after the commencement of employment acting in a similar capacity. The Current Plan was approved by the Company’s shareholders at the Annual General and Special Meeting of Shareholders held June 10, 2011.

The shareholders approved the current plan which conforms to requirements of the *Income Tax Act* (Canada), the TSX and best practices regarding security based compensation arrangements. Under the Current Plan, the CEO makes recommendations to the Compensation Committee regarding individual employee stock option awards for all recipients. In other circumstances, the Compensation Committee makes its own recommendations to the Board. The CEO does not engage in discussions with the Compensation Committee regarding his own stock option grants.

The Compensation Committee typically reviews the appropriateness of the stock option grant recommendations from the CEO for all eligible employees and accepts or adjusts these recommendations. The Compensation Committee is responsible for approving all individual stock option grants, including grants that are awarded outside the annual compensation deliberation process for such things as promotions or new hires. The Compensation Committee is also responsible for recommending to the Board for its approval any stock option grants for executive officers. The Compensation Committee typically approves or recommends compensation awards, including stock option grants, which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual.

## Other Compensation

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

### Summary Compensation Table

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

Name and Position	Year	Salary <sup>(1)</sup> (\$)	Share based awards (\$)	Option-based awards <sup>(17)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Keith Piggott</b> <sup>(3)</sup> President, Chairman & CEO	2013	Nil	Nil	2,794	Nil	Nil	Nil	Nil	2,794
	2012	465,400 <sup>(4)</sup>	Nil	258,909	Nil	Nil	Nil	Nil	465,400
	2011	228,480	Nil		Nil	Nil	Nil	Nil	487,389
<b>Michael Clark</b> <sup>(9)</sup> Chief Financial Officer & Corporate Secretary	2013	148,857	Nil	9,853	Nil	Nil	Nil	15,535	174,245
	2012	144,058	Nil	Nil	Nil	Nil	Nil	Nil	144,058
	2011	138,319	Nil	78,311	Nil	Nil	Nil	Nil	216,630
<b>Dustin VanDoorselaere</b> VP, Operations <sup>(13)</sup>	2013	204,095	Nil	5,360	Nil	Nil	Nil	Nil	209,455
	2012	195,000	Nil	20,888	Nil	Nil	Nil	Nil	215,888
	2011	117,542	Nil	118,335	Nil	Nil	Nil	Nil	235,877
<b>Mark Henry</b> General Manager Cerro Colorado	2013	192,650	Nil	1,973	Nil	Nil	Nil	27,286	221,909
	2012	171,275	Nil	48,728	Nil	Nil	Nil	78,000	298,003
	2011	170,469	Nil	167,865	Nil	Nil	Nil	52,000	390,334
<b>Hans von Michaelis</b> <sup>(5)</sup> Former President & CEO	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	156,078	Nil	Nil	Nil	Nil	156,708
<b>Chester F. Millar</b> <sup>(6)</sup> Former Chairman	2013	Nil	Nil	(1,236)	Nil	Nil	Nil	Nil	(1,236)
	2012	Nil	Nil	74,880	Nil	Nil	Nil	Nil	74,880
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gregg J. Sedun</b> <sup>(7)</sup> Former Chairman, President & CEO	2013	Nil	Nil	12,932	Nil	Nil	Nil	50,000	62,932
	2012	314,509 <sup>(8)</sup>	Nil	21,384	Nil	Nil	Nil	Nil	335,892
	2011	118,612	Nil	258,909	Nil	Nil	Nil	Nil	377,521
<b>John J. Sutherland</b> <sup>(10)</sup> Former VP & CFO & Corporate Secretary	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	301,736 <sup>(11)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	301,736
	2011	177,918	Nil	173,592	Nil	Nil	Nil	Nil	351,510
<b>Kevin Sullivan</b> <sup>(12)</sup> Former VP Exploration	2013	154,175	Nil	1,397	Nil	Nil	Nil	Nil	155,572
	2012	182,400	Nil	Nil	Nil	Nil	Nil	Nil	182,400
	2011	146,400	Nil	126,496	Nil	Nil	Nil	Nil	272,896
<b>Patrick Glynn</b> <sup>(14)</sup> Former VP, Technical & Projects	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	180,000	Nil	114,136	Nil	Nil	Nil	Nil	294,136
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Richard Irvine</b> <sup>(15)</sup> Former General Manager, Caballo Blanco	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	96,821	Nil	Nil	Nil	Nil	Nil	Nil	96,821
	2011	195,816	Nil	177,503	Nil	Nil	Nil	Nil	373,319

**Notes:**

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

1. Fair value at the time of grant calculated using the Black-Scholes option pricing model using the assumption described in the table "Share Option Values and Assumptions" below.
2. Mr. Piggott was the Company's CEO from April 30, 2010 and President from March 25, 2011 to October 11, 2012 whereby Mr. Sedun replaced him as Interim President and CEO. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013. Mr. Piggott was appointed as Chairman, President & CEO of the Company on June 23, 2013.
3. On November 13, 2012 the Company terminated the Consulting Agreement with Keith Piggott and accrued severance was paid in the amount of \$275,000 (paid February 7, 2013).
4. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013.
5. Chester Millar was appointed to the position of Chairman replacing Gregg J. Sedun on November 13, 2012. Mr. Millar resigned as Chairman and Director of the Company on June 11, 2013.
6. Gregg J. Sedun was the Company's Interim President and CEO replacing Keith Piggott from October 11, 2012 to November 13, 2012. On November 13, 2012, Hans von Michaelis was appointed as the Company's President & CEO. Gregg Sedun was the Company's Executive Chairman from April 30, 2010 to November 13, 2012 whereby Chester F. Millar was appointed to the position of Chairman of the Company.
7. On November 13, 2012 the Company terminated the Consulting Agreement effective January 25, 2013 with Global Vision Capital Corp. which severance was paid in the amount of \$200,080 (CDN\$200,000).
8. Michael Clark was the Company's Contoller and Treasurer from May 1, 2010 until November 13, 2012 whereby he was appointed the Company's Chief Financial Officer replacing John J. Sutherland. On January 24, 2013 the Company entered into an Employment Agreement with Michael Clark whereby he receives a yearly remuneration of \$144,000 with a one-time bonus of \$16,000 which was payable upon execution of the Employment Agreement. Michael Clark was appointed Corporate Secretary replacing Brigitte McArthur on July 12, 2013.
9. Mr. Sutherland was the Company's Vice President and Chief Financial Officer from June 30, 2012 to November 13, 2012 whereby Michael Clark was appointed Chief Financial Officer. Mr. Sutherland also held the position of Corporate Secretary from June 30, 2010 to April 18, 2011 whereby Brigitte M. McArthur was appointed Corporate Secretary of the Company.
10. On November 13, 2012 the Company terminated the Consulting Agreement with John Sutherland and severance was paid in the amount of \$120,048 (CDN\$120,000).
11. Kevin Sullivan was Vice President Exploration between July 11, 2007 to July 1, 2013.
12. Dustin Vandoorselaere was appointed Projects Manager effective May 25, 2011. Effective November 1, 2012 Dustin Vandoorselaere was appointed Vice President, Operations.
13. On January 12, 2012 the Company hired Mr. Patrick Glynn as the Company's Vice President, Technical and Projects. Mr. Glynn commenced employment on February 1, 2012. Effective October 30, 2012 Mr. Glynn resigned as Vice President, Technical and Projects.
14. Richard Irvine was appointed General Manager of Caballo Blanco effective May 25, 2011. Mr. Irvine resigned as General Manager, Caballo Blanco on February 23, 2012.
15. The fair value of the share options granted were estimated on the date of grant using the Black-Scholes Option Pricing Model.

**Share Option Values and Assumptions**

<b>2013 Grant Dates</b>	<b>April 2, 2013</b>	<b>November 18, 2013</b>
Number of options granted	125,000	3,435,000
Share Price at Grant Date	\$0.25	\$0.06
Exercise Price	\$0.25	\$0.10
Expected Volatility (weighted average volatility)	67%	71%
Option life (expected weighted average life)	2.5 years	2.5 years
Expected Dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	1.01%	1.09%
Resulting fair value at grant date	CDN\$12,500	CDN\$60,180

Note:

- (1) The fair value of the share options granted during the year ended December 31, 2013 were estimated on the date of grant using the Black-Scholes Option Pricing Model.

**Incentive Plan Awards**

The following table sets out all option-based awards and share based awards outstanding for each NEO at December 31, 2013. The Company's NEOs do not have any outstanding share-based awards.

Name	Number of securities underlying unexercised options (#)	Option-based Awards			Share-based Awards		
		Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (CDN\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (CDN\$)	Market or payout value of vested share-based awards not paid out or distributed (CDN\$)
<b>Keith Piggott</b> <sup>(2)</sup>	61,403	\$ 0.57	1-May-14	Nil	Nil	Nil	Nil
President, Chief Executive Officer & Chairman	201,754	\$ 0.63	1-Oct-14	Nil	Nil	Nil	Nil
	326,843	\$ 1.00	18-May-14	Nil	Nil	Nil	Nil
	150,000	\$ 1.25	31-Jan-15	Nil	Nil	Nil	Nil
	260,000	\$ 1.40	15-Jun-16	Nil	Nil	Nil	Nil
	500,000	\$ 0.10	18-Nov-18	Nil	375,000	Nil	Nil
<b>Michael Clark</b> <sup>(3)</sup>	200,000	\$ 1.00	18-May-14	Nil	Nil	Nil	Nil
Chief Financial Officer & Corporate Secretary	40,000	\$ 1.25	31-Jan-15	Nil	Nil	Nil	Nil
	85,000	\$ 1.40	15-Jun-16	Nil	Nil	Nil	Nil
	125,000	\$ 0.25	2-Apr-18	Nil	62,500	Nil	Nil
	150,000	\$ 0.10	18-Nov-18	Nil	112,500	Nil	Nil
<b>Dustin VanDoorselaere</b> <sup>(4)</sup>	200,000	\$ 1.40	15-Jun-16	Nil	Nil	Nil	Nil
Vice President, Operations	150,000	\$ 0.50	22-Jun-17	Nil	Nil	Nil	Nil
	200,000	\$ 0.10	18-Nov-18	Nil	137,500	Nil	Nil
<b>Mark Henry</b>	52,631	\$ 0.63	1-Oct-14	Nil	Nil	Nil	Nil
General Manager Cerro Colorado	17,369	\$ 1.00	18-May-14	Nil	Nil	Nil	Nil
	130,000	\$ 1.25	31-Jan-15	Nil	Nil	Nil	Nil
	200,000	\$ 1.40	15-Jun-16	Nil	Nil	Nil	Nil
	50,000	\$ 0.50	22-Jun-17	Nil	Nil	Nil	Nil
	100,000	\$ 0.10	18-Nov-18	Nil	75,000	Nil	Nil

Notes:

- Value calculated based on the difference between the closing price of the Common Shares on December 31, 2013 (\$0.08) and the option exercise price.
- Mr. Piggott was the Company's CEO from April 30, 2010 and President from March 25, 2011 to October 11, 2012 whereby Mr. Sedun replaced him as Interim President and CEO. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013. Mr. Piggott was appointed as Chairman, President & CEO of the Company on June 23, 2013.
- Michael Clark was the Company's Controller and Treasurer from May 1, 2010 until November 13, 2012 whereby he was appointed the Company's Chief Financial Officer to replace John J. Sutherland. Michael Clark was appointed Corporate Secretary replacing Brigitte McArthur on July 12, 2013.
- Dustin VanDoorselaere was appointed Projects Manager effective May 25, 2011. Effective November 1, 2012 Dustin VanDoorselaere was appointed Vice President, Operations.

**Incentive Plan Awards - Value Vested Or Earned During The Year ended December 31, 2013**

Name	Option-based awards Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Keith Piggott</b> , President Chairman & CEO <sup>(1)</sup>	\$2,794	Nil	Nil
<b>Michael Clark</b> , Chief Financial Officer & Corporate Secretary <sup>(2)</sup>	\$9,853	Nil	Nil
<b>Dustin VanDoorselaere</b> , Vice President, Operations <sup>(3)</sup>	\$5,360	Nil	Nil
<b>Hans von Michaelis</b> , Former President & CEO <sup>(4)</sup>	\$Nil	Nil	Nil
<b>Chester F. Millar</b> , Former Chairman <sup>(5)</sup>	(\$1,236)	Nil	Nil
<b>Kevin Sullivan</b> , Former Vice President, Exploration <sup>(6)</sup>	\$1,397	Nil	Nil
<b>Mark Henry</b> , General Manager of Cerro Colorado	1,973	Nil	Nil

Notes:

1. Mr. Piggott was the Company's CEO from April 30, 2010 and President from March 25, 2011 to October 11, 2012 whereby Mr. Sedun replaced him as Interim President and CEO. Hans von Michaelis was appointed as the Company's President & CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013. Mr. Piggott was appointed as Chairman, President & CEO of the Company on June 23, 2013.
2. Michael Clark was the Company's Contoller and Treasurer from May 1, 2010 until November 13, 2012 whereby he was appointed the Company's Chief Financial Officer to replace John J. Sutherland. Michael Clark was appointed Corporate Secretary replacing Brigitte McArthur on July 12, 2013.
3. Dustin VanDoorselaere was appointed Projects Manager effective May 25, 2011. Effective November 1, 2012 Dustin VanDoorselaere was appointed Vice President, Operations.
4. Hans von Michaelis was appointed as the Company's President and CEO to replace Gregg J. Sedun effective November 13, 2012. Mr. Von Michaelis resigned as the Company President and CEO on June 26, 2013 and as a Director on November 14, 2013.
5. Chester Millar was appointed to the position of Chairman replacing Gregg J. Sedun on November 13, 2012. Mr. Millar resigned as Chairman and Director of the Company on June 11, 2013.
6. Kevin Sullivan was the Vice President Exploration between July 11, 2007 to July 1, 2013.

## STATEMENT 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, 2013. All compensation noted below are in US Dollars.

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Corry J. Silbernagel	27,614	Nil	1,118	N/A	N/A	Nil	28,732
Donald R. Siemens	21,933	Nil	2,794	N/A	N/A	Nil	24,727
Enrique A. Peralta <sup>(4)</sup>	8,090	Nil	1,677	N/A	N/A	43,500	53,267
Gabino Fraga Pena <sup>(5)</sup>	6,473	Nil	1,677	N/A	N/A	Nil	8,150
Javier Reyes	10,394	Nil	1,712	N/A	N/A	Nil	12,106
Lenard F. Boggio <sup>(2)</sup>	13,805	Nil	(1,236)	N/A	N/A	Nil	12,569
Francisco J. Escandon-Valle <sup>(3)</sup>	5,218	Nil	0	N/A	N/A	Nil	5,218

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) Lenard Boggio was a Director of the Company from May 10, 2012 to June 11, 2013.
- (3) Francisco J. Escandon-Valle was a Director of the Company from June 30, 2010 to June 11, 2013.
- (4) Enrique Peralta serves as the Company's Mexican legal counsel and receives a monthly retainer of \$5,500 for these services.
- (5) Prior to Gabino Fraga Pena becoming a director, a company controlled by him entered into a contract with Goldgroup for consulting services related to Caballo Blanco. Refer to Management Contracts – Consulting Agreement dated January 14, 2013 between CRTA Consulting/Grupo Gap and Goldgroup Mining Inc. Upon signing the agreement, CRTA was paid a fee of \$256,500. A second payment of \$256,500 is payable upon delivery of a Strategic Global Analysis.

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

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

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

The Company has adopted a compensation scheme for non-executive directors that pays 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 is comprised of the following:

- an annual fee of \$12,000;
- an additional annual retainer fee of \$3,000 for each committee of which he is a member, other than the Audit Committee and an additional annual retainer fee of \$4,500 for being a member of the audit committee;
- the Chair of each committee receives an annual retainer fee of \$2,500 in addition to their \$3,000 committee fee, except for the Chair of the Audit Committee who receives an annual retainer fee of \$3,750 in addition to their \$4,500 committee fee; and
- The Lead Director receives an annual fee of \$12,000.

#### ***Termination and Change of Control Benefits***

Other than as disclosed below under "Management Contracts" there are no other arrangements made to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

#### ***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 April 30, 2013 to April 30, 2014. The Company has renewed the Directors' and Officers' Liability Insurance and following is a summary of the premiums paid.

<b>For The Period</b>	<b>Coverage</b>	<b>Premium Per Year</b>	<b>total amount of insurance (subject to Policy deductibles)</b>
April 30, 2014 to April 30, 2015	Director/Officer Liability Insurance	\$24,900	\$10,000,000 Per Claim Limit & Policy Period
April 30, 2014 to April 30, 2015	Side A Insurance	\$8,200	\$ 5,000,000 Per Claim Limit & Policy Period

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

The Company adopted the Current Plan to permit the Company to grant incentive stock options up to 10% of the issued and outstanding Common Shares to its directors, officers, employees and consultants of the Company or its subsidiaries. The Current Plan was approved by shareholders of the Company on June 10, 2011.

The following table sets forth as at the year ended December 31, 2013 the number of securities authorized for issuance under the Current Plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in the first column)</b>
Equity compensation plans approved by security holders	10,748,858	\$1.04	4,894,800
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>10,748,858</b>	<b>\$1.04</b>	<b>4,894,800</b>

Notes:

As at December 31, 2013, there were 8,748,858 options issued and outstanding under the Current Plan, representing 6.371% of the Company's issued and outstanding capital (as of December 31, 2013).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### *Aggregate Indebtedness*

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

<b>Purpose</b>	<b>To the Company or its Subsidiaries</b>	<b>To Another Entity</b>
Share purchases	Nil	Nil
Other	Nil	Nil

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

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

<b>Name and Principal Position</b>	<b>Involvement of Company or Subsidiary</b>	<b>Largest Amount Outstanding During Year Ended December 31, 2013 (\$)</b>	<b>Amount Outstanding as at May 7, 2014 (\$)</b>	<b>Financially Assisted Securities Purchases During Year Ended December 31, 2013(#)</b>	<b>Security for Indebtedness</b>	<b>Amount Forgiven During Year Ended December 31, 2013 (\$)</b>
<b>Securities Purchase Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil
<b>Other Programs</b>						
N/A	N/A	Nil	Nil	Nil	Nil	Nil

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or 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.

The following material transactions occurred with related parties during the fiscal year ended December 31, 2013, and all related party transactions are detailed in the Company's Management Discussion & Analysis for the year ended December 31, 2013. Please note that transactions are translated at applicable average exchange rates, except for monetary assets and liabilities, which are translated at the appropriate period end exchange rates. Accordingly while balance continuity can be reconciled in the original currency, differences will arise due to translation in the amounts reported in United States dollars.

## MANAGEMENT CONTRACTS

### AS AT DECEMBER 31, 2013, THE COMPANY HAD ENTERED OR HAD IN EFFECT THE FOLLOWING MANAGEMENT AND CONSULTING AGREEMENTS:

Agreement	Terms of Agreement
<p>Consulting Agreement Dated January 1, 2009 Between Goldgroup Holdings Corp. &amp; Global Vision Capital Corp. (<i>Gregg Sedun</i>)</p>	<p>Mr. Gregg J. Sedun acted as Chairman, President &amp; CEO of the Company. Pursuant to a consulting agreement dated January 1, 2009 between Goldgroup Holdings Corp. and Global Vision Capital Corp., Global Vision received an annual fee of \$120,000 paid monthly and that the Company included Mr. Sedun in its health and benefit plans. The agreement did not contain any provisions relating to the payment of bonuses or other remuneration. The term of Mr. Sedun's engagement through Global Vision was indefinite. If Mr. Sedun was terminated by the Company without cause, Global Vision was entitled to eight months' compensation. If a termination, relocation, demotion, or variance in duties occurred within six months of a change of control, Global Vision was entitled to terminate the agreement and the Company would be required to pay Global Vision 12 months' compensation. Mr. Sedun is the President of Global Vision Capital Corp. As of January 25, 2013 the Consulting Agreement with Global Vision Capital Corp. was terminated. As of the date of this Information Circular that being May 7, 2014, there are no amounts owing to Global Vision Capital Corp.</p>
<p>Consulting Agreement Dated January 1, 2009 Between Goldgroup Holdings Corp. &amp; Minop S.A. de C.V. (<i>Kevin Sullivan</i>)</p>	<p>Mr. Kevin Sullivan was the Vice President, Exploration of the Company. Pursuant to a consulting agreement dated January 1, 2009 between Goldgroup Holdings Corp. and Minop S.A. de C.V. ("Minop"), Mr. Sullivan received an annual fee of US\$146,400 and received benefits from the Company's health and benefit plan. Mr. Sullivan also received a housing allowance. The agreement did not contain any provisions relating to the payment of bonuses or other remuneration. Mr. Sullivan's engagement through Minop was for an indefinite term. Under the agreement if Mr. Sullivan was terminated by the Company without cause, Mr. Sullivan was entitled to eight months' compensation. If a termination, relocation, demotion, or variance in duties occurs within six months of a change of control, Mr. Sullivan was entitled to terminate the agreement and the Company would be required to pay Mr. Sullivan 12 months' compensation. As of July 1, 2013 the Consulting Agreement with Mr. Sullivan was terminated. As of the date of this information Circular that being May 7, 2014, there are no amounts owing to Mr. Sullivan.</p>
<p>Employment Agreement Dated April 22, 2011 Between Dustin VanDoorselaere &amp; Minop S.A. de C.V. And Subsequent Employment Agreement dated April 4, 2013</p>	<p>Mr. VanDoorselaere current role is the Company's Vice President, Operations. Pursuant to an employment agreement dated April 22, 2011 (effective May 25, 2011) between Dustin VanDoorselaere and Minop S.A. de C.V. (Minop), Mr. VanDoorselaere receives an annual salary of US\$195,000 and receives benefits from the Company's health and benefit plan. The agreement does not contain any provisions relating to the payment of bonuses or other remuneration. The term of Mr. VanDoorselaere's engagement through Minop is indefinite. If Mr. VanDoorselaere is terminated by the Company without cause, Mr. VanDoorselaere is entitled to one month's salary for each 12 months that he has been an employee to a maximum severance equal to 24 months of salary and a minimum of three months of salary. On April 4, 2013 the Company entered into a new employment agreement with Mr. VanDoorselaere. Under the new employment agreement, if Mr. VanDoorselaere is terminated by the Company without cause, Mr. VanDoorselaere is entitled to receive severance equal to 8 months of salary. If Mr. VanDoorselaere is terminated by the Company without cause, Mr. VanDoorselaere is entitled to 8 months of salary. If the termination occurs within 12 months of the employment agreement due to a change of control, Mr. VanDoorselaere is entitled to 12 months of salary. All other terms of the agreement remain unchanged and in effect.</p>
<p>Employment Agreement Dated April 26, 2010 Between Michael Clark &amp; Goldgroup Mining Inc. And Subsequent Employment Agreement dated: January 24, 2013</p>	<p>Mr. Clark acts as Chief Financial Officer of the Company. Pursuant to an employment agreement dated April 26, 2010 between Michael Clark and Goldgroup Mining Inc. whereby Mr. Clark acted as Controller of the Company. Effective November 13, 2012, Mr. Clark was appointed as Chief Financial Officer of the Company. On January 24, 2013 the Company entered into a new employment agreement with Mr. Clark whereby he receives an annual salary of \$144,000 and receives benefits from the Company's health and benefit plan. Upon execution of the employment agreement Mr. Clark also received a one-time bonus of \$16,000. The term of the agreement is indefinite. If Mr. Clark is terminated by the Company without cause, Mr. Clark is entitled to 8 months of salary. If the termination occurs within 12 months of the employment agreement due to a change of control, Mr. Clark is entitled to 12 months of salary.</p>

Agreement	Terms of Agreement
Production Bonus Agreement Dated: November 21, 2011 Between Goldgroup Mining Inc. & Mark Henry	Mr. Henry is the General Manager, Cerro Colorado. Pursuant to a Production Bonus Agreement dated November 11, 2011 between Mark Henry and Goldgroup Mining Inc., the bonus is based on \$1.0 million mine operating cash profit (which calculation criteria is defined in the Production Bonus Agreement) in a month and the mine producing 2,000 ounces or more of gold per month.
Consulting Agreement Dated January 14, 2013 Between CRTA Consulting Group Inc./Grupo GAP and Goldgroup Mining Inc.	CRTA Consulting Group Inc. ("CRTA") and Grupo GAP entered into a consulting agreement with Goldgroup Mining Inc. whereby CRTA is investigating the outstanding permits required to develop Caballo Blanco and providing a strategy for ensuring that Goldgroup has all legal requirements necessary to develop the Caballo Blanco project. Upon signing the agreement, CRTA was paid a fee of \$256,500. A second payment of \$256,500 is payable upon delivery of a Strategic Global Analysis.

## CORPORATE GOVERNANCE DISCLOSURE

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

Corporate Governance Disclosure Requirement	Comments
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	As of the date of this Information Circular, the independent directors of the Company are Messrs. Silbernagel, Reyes and Siemens.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Keith Piggott is not independent as he is currently the Company's President, Chairman and CEO. Gregg J. Sedun is not independent as he held the position of Executive Chairman from April 30, 2010 to November 13, 2012 and also Interim President & CEO from October 11, 2012 to November 13, 2012. Mr. Gabino Fraga is not independent as he is a principal of Grupo GAP and provides consulting services to the Company as a principal of this firm and therefore is not independent. Mr. Enrique A. Peralta is not independent as he is a principal of Peralta Abogados, S.C. who provide legal services to the Company.  All of the above have a material relationship with the Company. A material relationship is defined in National Instrument 52-110 to mean any relationship, which could in the view of the board, or reasonably expected to <u>interfere with the exercise of his or her independent judgment.</u>
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the "board") does to facilitate its exercise of independent judgment in carrying out its responsibilities.	As of the date of this Information Circular there is not majority of Independent Directors. There are currently three out of seven current directors who are independent. The Company's Independent Directors meet in order to facilitate and carry out independent decision making for the Company. The Company also has a Lead Director..
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Directorships of the directors of the Company are set out in this Information Circular in the table under the heading <i>Election of Directors and Other Directorships</i> .

Corporate Governance Disclosure Requirement	Comments
<b>1. Board of Directors (Continued)</b>	
(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.	As required the Company's Independent Directors meet in camera at the end of each Board meeting without management and non-independent directors present. As required, the Audit Committee holds in camera sessions without management and other guests present following all meetings. As required, the Compensation Committee holds in camera sessions without management. Refer to "Attendance of Directors at Board and Committee Meetings".
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Chairman, Keith Piggott is not an independent director. The Board provides leadership to its independent directors by formal Board Meetings. The Company does have a "lead director". The current lead director is Donald Siemens.
(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, 2013 to December 31, 2013 is set out in the table under the heading "Attendance of Directors at Board and Committee Meetings"
<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 has adopted a written mandate. The members of the Board have the duty to supervise the management of the business and affairs of the Company. The Board, directly and through its committees and the chair of the Board (the "Chair"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company. The text of the Board's Mandate can be found on the Company's website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> .
<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 has developed written position descriptions for the chair and the chair of each board committee. The role and responsibilities of each such position is delineated primarily by the operational requirements and function of the Board or of the particular committee. Each such position entails the fundamental requirement to chair meetings of the Board and/or committee, including the determination and control of the agenda for business considered, facilitation of discussion among members, consideration and voting on resolutions and similar matters. Additional matters related to the role and responsibilities of each such position are determined through internal discussions among the members of the Board and each such committee. Most major decisions taken by the Chief Executive Officer are discussed with the directors prior to their adoption or implementation. Accordingly, the Company has delineated the effective role and responsibilities for the Chief Executive Officer through ongoing communication and practice between the Chief Executive Officer and the directors.
(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 has developed a written position description for the CEO and Executive Chairman. A copy of the position description together with the complete Board Mandate can be found on the Company's website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> . The Compensation Committee is responsible for the review and approval of the corporate objectives that the CEO is responsible for meeting as well as the assessment of the CEO's performance against these objectives.

Corporate Governance Disclosure Requirement	Comments
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.	New directors are provided with details of the Company's organizational structure, the structure of the Board, compliance requirements for directors, corporate policies and by-laws and technical reports. They also meet with the directors and senior management of the Company to learn of the functions and activities of the Company. On an ongoing basis, presentations are made to the Board on various aspects of the Company's operations. Directors can also access internal financial information, management, technical experts and consultants.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	As a part of the continuing education of the directors, correspondence with the Company's legal counsel facilitates the directors to remain up-to-date with developments in relevant corporate and securities' law matters. New directors are provided with key documents including the Code of Business Conduct and Ethics, Board and Committee Mandates and Charters, Insider Trading Policy and Continuous disclosure policies. As well, the directors meet with Management to discuss and better understand the business and from time to time visit the Company's properties. Board members are encouraged to communicate with Management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Board members have full access to the Company's records. Directors attend conferences and seminars relevant to their particular expertise.
<b>5. Ethical Business Conduct</b>	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	The Company has adopted a written Code of Business Conduct and Ethics for its directors, officers and employees.
(i) disclose how a person or Company may obtain a copy of the code;	A copy of the Code of Business Conduct and Ethics may be obtained by written request to the Company's offices located at Suite #1502 – 1166 Alberni Street, Vancouver, B.C., V6E 3Z3, Canada or can be viewed on the Company's website at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> and <a href="http://www.sedar.com">www.sedar.com</a> .
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	The Board has instructed management to bring any breaches of the Code to the attention of the chair of the Board and the chair of the Audit Committee. Management and employees may report breaches in the Code confidentially and anonymously to an independent third party through the Company's whistleblower hotline or via the Whistleblower Security Link on the Company's website site located at <a href="http://www.goldgroupmining.com">www.goldgroupmining.com</a> . As a condition of employment, employees must sign an acknowledgement that they have read the Code, have not breached it and are not aware of any other employee who has breached the Code.
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	No material change report has been filed since January 1, 2014, or ever, that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	If a director or executive officer has an interest in any transaction or agreement before the board, the interested directors or executive officers must abstain from voting on such issues or topics. Each director must disclose all actual or potential conflicts of interest to the board or the Audit Committee.

Corporate Governance Disclosure Requirement	Comments
<b>5. Ethical Business Conduct (Continued)</b>	
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Company has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statements disclosure issues, accounting, or internal controls, to report such violations or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through an independent reporting agency used by the Company for this purpose. Once received, complaints are forwarded to the Chair of the Audit Committee who then investigates each matter so reported and make corrective and disciplinary action, if appropriate. Complaints may also be made internally. The board has also adopted the Company's disclosure policy that covers the accurate and timely communication of all material information. This policy is reviewed on a regular basis.
<b>6. Nominations of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Governance and Nominating Committee is responsible for proposing new nominees to the board. The Candidate may be identified by management, through the retention of advisors or other referral sources. This committee is also responsible for identifying required competencies and characteristics of potential directors.
(b) Disclose whether or not the board has a nominating committee composed entirely 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.	Two of the three members of the Governance and Nominating Committee are independent members. The Chairman of the Governance and Nominating Committee, Donald R. Siemens is the primary contact for the Governance and Nominating Committee, whereby all activities of the Governance and Nominating Committee are first addressed to the Chairman of the Committee to address.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee. Also describe if the Company implements a majority voting policy for its directors.	The Governance and Nominating Committee has the responsibility of, among other things: (i) recommending to the board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders and nominees for appointment to Committees of the board; and (ii) analyzing the needs of the board when vacancies arise on the board and Committees and recommending nominees who meet such needs. The Company has implemented majority voting for its' directors. Information on the majority voting for directors is set out under the heading <i>Majority Voting for Directors</i> .
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Compensation Committee reviews directors' and senior officers' compensation annually and make recommendations to the board and executive management. All members of the Compensation Committee are independent. In assessing compensation, the Compensation Committee reviews the compensation of comparable companies or comparable size and stage of development in the mineral resources industry. The Compensation Committee monitors, and makes recommendations to the board in respect of, the performance of senior management and approve 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 board has a Compensation Committee which has three members which are all independent board members. The Chairman of the Compensation Committee, Corry Silbernagel is the primary contact for the Compensation Committee, whereby all activities of the Compensation Committee are first addressed to the Chairman of the Committee to address.

Corporate Governance Disclosure Requirement	Comments
<b>7. Compensation (Continued)</b>	
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Compensation Committee has the responsibility for determining senior management's remuneration and stock options, and recommending to the board CEO, Chairman, and directors 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, 2013 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.	The Company had a Special Committee. The Special Committee was dissolved on June 26, 2013 as the Board of Directors concluded that the Special Committee was no longer required. The Company formed the Strategic Committee on November 14, 2013. The Strategic Committee is comprised of two independent directors and one non-independent director. The Committee's purpose is to review and analyze the issues pertaining to potential strategic alternatives for the Company.
<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.	In 2013 formal Board and Committee Evaluation questionnaires and individual director self-assessment questionnaires were prepared and distributed to each of the directors for completion. The Board evaluation form asks the directors to assess the effectiveness of the following matters: board organization and structure; board culture; information and resources, managing the affairs of the board, management resources, financial and corporate issues; business risks; policies and procedures; and open ended questions about the effective working relationships of the Board and ways to enhance Board performance. The board evaluation process was designed to provide directors with an opportunity each year to examine how the Board is operating and to make suggestions for improvement. The directors were also requested to complete a self-assessment questionnaire and committee performance reviews. Similar questionnaires were circulated to the various Committees for members of the Committees to complete. A majority of the directors participated in completing the questionnaires and returning them to the Company's Corporate Secretary to summarize the results for a report to the Board of Directors and Committees. The Directors and Committee members reviewed the results and will make necessary recommendations for improvements in the Company's policies and procedures and overall performance in its fiduciary duties and effectiveness to the Company.

### ***Other Directorships***

Certain directors of the Company are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. With respect to these interlocking board memberships, it is the Board's view that the mining community at the highest levels is closely connected and that in order for the Company's directors to maintain these connections, which are in the best interests of the Company, directors of the Company should be permitted to serve on other boards of directors, including in some cases, the same board of directors. The Board is satisfied that it has a system for dealing with conflicts of interest if any were to arise. In addition to their positions on the Board, the following directors also serve 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>
Gregg J. Sedun	Diamond Fields International Ltd. Oceanic Iron Ore Corp. Uracan Resources Ltd.
Corry J. Silbernagel	Expedition Mining Inc.
Donald R. Siemens	Hansa Resources Limited Nikos Explorations Ltd. Spur Ventures Inc. Argentex Mining Corporation Boss Power Corp. Great Western Minerals Group Inc.

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

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

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the re-appointment of Grant Thornton LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the directors. The persons named in the enclosed Proxy will vote for the appointment of Grant Thornton 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. Grant Thornton LLP., has served as the Company’ auditor since 2010.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Stock Option Plan**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the adoption of the Company’s stock option plan (the “2014 Option Plan”). The Company’s Current Plan, was previously adopted by the Company and approved by the Shareholders at the May 6, 2011 Annual and Special Meeting of Shareholders.

The Current Plan is a rolling stock option plan (the total number of Common Shares reserved and available for issuance pursuant to the Current Plan (together with those Common Shares issuable pursuant to any other security based compensation arrangement of Goldgroup or options for services granted by Goldgroup) cannot exceed 10% of the issued and outstanding Common Shares of the Company from time to time. The Company currently has 136,436,575 issued and outstanding Common Shares and pursuant to the terms of the Current Plan, 13,436,575 may be reserved for issuance pursuant to the exercise of Options granted. As of the date hereof, 8,368,858 Common Shares have been reserved for issuance which represents 6.13% of the total number of issued and outstanding Common Shares.

Management seeks to adopt the 2014 Option Plan to ensure that the Company’s stock option plan conforms to requirements of the TSX and best practices regarding security based compensation arrangements.

No terms of the 2014 Option Plan vary from the Company’s Current Plan and all terms are pursuant to the policies of the TSX, must also be approved by Shareholders for renewal. If the 2014 Option Plan is adopted by the Shareholders, it will replace the Current Plan in its entirety.

A summary of the terms of the 2014 Option Plan is set out below. The full text of the 2014 Option Plan is set forth in Schedule “A” to this Information Circular.

Employees, officers, directors (subject to limitations) and consultants of the Company or any of its subsidiaries will be eligible to participate in the 2014 Option Plan, which is intended to continue to achieve a number of objectives through the grant of stock options (“Options”) including:

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

Below is a summary of the material terms of the 2014 Option Plan:

- The maximum number of Common Shares reserved for issuance by the Company pursuant to the 2014 Option Plan, plus any other security-based compensation arrangements (involving an issuance of shares from treasury) shall not exceed 10% of the issued and outstanding Common Shares from time to time.
- The number of securities issuable to insiders, at any time, under all security based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company; and
- The number of securities issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of issued and outstanding securities of the Company.
- The 2014 Option Plan provided that the exercise price is determined by the Compensation Committee when the Option is granted and in any event, may not be less than the closing price of the Common Shares on the stock exchange such shares are listed on, on the last market trading day prior to the date of the grant of the Option.
- The 2014 Option Plan provides that the Compensation Committee may at its discretion, provide for Options to vest, if they deem necessary at the time of grant.
- The maximum term for any Option will be ten years pursuant to the 2014 Option Plan.
- The 2014 Option Plan provides that, in the event a holder of Options (an “Optionholder”) is terminated for cause, all Options granted to such individual will expire immediately. The treatment of Options upon other termination events is as follows:
  - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup’s subsidiaries) other than because of termination for cause, only those Options vested at the date of such cessation will be exercisable for a maximum period of 60 days; and
  - if an Optionholder ceases to be a director, employee or consultant of Goldgroup (or one of Goldgroup’s subsidiaries) by reason of death or Disability, the Options then vested will be exercisable for a maximum period of twelve months.
- The 2014 Option Plan clarifies that Options are non-transferable and non-assignable, except in limited circumstances.
- The 2014 Option Plan provides that the Board shall have the power to amend, suspend or terminate the 2011 Option Plan or any Option granted thereunder, from time to time without shareholder approval, including changes of a clerical or grammatical nature, changes regarding the persons eligible to participate in the Plan and changes regarding the vesting of the Options provided that (i) such amendment, suspension or termination is in accordance with applicable laws and the rules of the TSX; and (ii) no such amendment, suspension or termination shall be made that would materially adversely affect the existing rights of the Optionholder.
- The Board shall obtain shareholder approval for amendments:
  - to the maximum number shares that may be reserved for issuance upon exercise of Options granted pursuant to the terms of the 2014 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 2014 Option Plan beyond the expiry date of the Option if such extension would benefit an insider of the Company;
  - that result in cancellation and re-issue of Options; and
  - which would permit Options to be granted under the Plan to be transferable or assignable other than for normal estate settlement purposes.
- The 2014 Option Plan includes the addition of a cashless exercise feature in the event of a Change of Control (as defined in the 2014 Option Plan) which allows holders of Options to surrender vested Options that have not been exercised, to the Company, in consideration for a payment in Common Shares or cash (at the option of the holder and subject to the approval of the Board), equal to the difference between the fair market value of the Common Shares and the aggregate exercise price for the Common Shares pursuant to the surrendered Options.
- The 2014 Option Plan also provides that the Company may withhold from any amount payable to an Optionholder, in such manner as in its discretion determines necessary, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable legal requirements relating to the withholding of tax or any other required deductions with respect to Options.

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

The full text of the ordinary resolution approving the adoption of the 2014 Option Plan can be found in Schedule “B” attached hereto.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the 2014 Option Plan Resolution.

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

**The Board of Directors has concluded that the Advance Notice Provisions are in the best interests of the Company and its shareholders. Accordingly, the Board of Directors unanimously recommends that the shareholders of the Company vote FOR the Article Alteration Resolution.**

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

**RESTRICTED SECURITIES**

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

**ADDITIONAL INFORMATION**

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

**APPROVAL AND SIGNATURE**

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

**ON BEHALF OF THE BOARD**

*(Signed) “Keith Piggott”*

Keith Piggott  
Chairman, CEO & President

## Schedule “A”

### GOLDGROUP MINING INC.

#### STOCK OPTION PLAN

June 11, 2014

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

#### ARTICLE I INTERPRETATION

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

- (a) **“Board”** means the board of directors of the Company;
- (b) **“Change of Control”** means:
  - (i) the acquisition, whether directly or indirectly, by a person or company, or any persons or companies acting jointly or in concert (as determined in accordance with the *Securities Act* (British Columbia) and the rules and regulations thereunder) of voting securities of the Company which, together with any other voting securities of the Company held by such person or company or persons or companies, constitute, in the aggregate, more than 50% of all outstanding voting securities of the Company;
  - (ii) an amalgamation, arrangement or other form of business combination of the Company with another company which results in the holders of voting securities of that other company holding, in the aggregate, 50% or more of all outstanding voting securities of the Company (including a merged or successor company) resulting from the business combination; or
  - (iii) the sale, lease or exchange of all or substantially all of the property of the Company to another person, other than a subsidiary of the Company or other than in the ordinary course of business of the Company;
- (c) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (d) **“Committee”** means the Compensation Committee, or any other Committee of the Board, appointed by the Board from time to time to administer this Plan, or if no such committee is appointed, the Board;
- (e) **“Company”** means Goldgroup Mining Inc. or any successor corporation;
- (f) **“Disability”** means the mental or physical state of an individual such that:
  - (i) the Board, other than such individual, determines that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6 month period or for any period of 8 months (whether or not consecutive) in any consecutive 12 month period; or
  - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs;
- (g) **“Effective Date”** means June 11, 2014;
- (h) **“Eligible Person”** means any person providing continuous services to the Company and who is:
  - (i) a full-time employee or independent contractor of the Company or any of its subsidiaries or a part-time employee or independent contractor of the Company or any of its subsidiaries; or

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

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

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

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

## ARTICLE II GRANT OF OPTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **ARTICLE IV ADMINISTRATION**

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

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

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

**ARTICLE V  
RIGHTS OF OWNERSHIP**

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

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

**ARTICLE VI  
CORPORATE TRANSACTIONS**

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

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

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

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

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

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

**ARTICLE VII  
GENERAL**

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

**7.2 Term of Plan.** Unless extended or earlier terminated as provided herein, the Plan will terminate 3 years from the Effective Date except with respect to Options then outstanding. No Options may be granted under this Plan after the 3<sup>rd</sup> anniversary of the Effective Date.

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

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

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

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

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

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

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

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

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

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

\* \* \* \* \*  
APPROVED BY THE BOARD: ●, 2014  
APPROVED BY THE TSX: ●, 2014  
APPROVED BY THE SHAREHOLDERS: ●, 2014

**EXHIBIT A**

**Goldgroup Mining Inc.  
Stock Option Certificate**

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

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

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

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

Note: Until such time as this Plan is approved by the shareholders of the Company in accordance with the requirements of the TSX, which approval shall be sought at or prior to the 2014 annual meeting of the Company’s shareholders, the Options granted hereunder may not be exercised.

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

**GOLDGROUP MINING INC.**

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

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

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

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

\_\_\_\_\_  
Date

**EXHIBIT B**

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

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

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

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

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

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

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

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

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

Note: Until such time as this Plan is approved by the shareholders of the Company in accordance with the requirements of the TSX, which approval shall be sought at or prior to the 2014 annual meeting of the Company's shareholders, the Options granted hereunder may not be exercised.

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

**GOLDGROUP MINING INC.**

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

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

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

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

\_\_\_\_\_  
Date

**EXHIBIT C**

**GOLDGROUP MINING INC.**

**NOTICE OF EXERCISE OF STOCK OPTIONS**

**UNDER THE STOCK OPTION PLAN**

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

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

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

RE: Exercise of Stock Options

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

I hereby:

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

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

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

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

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

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

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

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

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

**SCHEDULE "B"**

**2014 OPTION PLAN RESOLUTION**

**"BE IT RESOLVED THAT:**

1. The 2014 Option Plan as approved by the directors of the Company on May 7, 2014 and attached as Schedule "A" to the management information circular of the Company dated May 7, 2014, be and the same is hereby approved;
2. All unallocated stock options under the 2014 Option Plan be and are hereby approved, which approval shall be effective until June 11, 2014; and
3. Any one officer or any one director of the Company be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Company, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution."