Management's Discussion and Analysis

First Quarter – Interim period ended March 31, 2024

(Expressed in U.S. dollars, unless otherwise noted)

May 30, 2024

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Goldgroup Mining Inc. ("Goldgroup" or the "Company") together with its subsidiaries as of the date of this report, and is intended to supplement and complement the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024. Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from management's expectations. Goldgroup's public disclosure documents are available on SEDAR at www.sedar.com. The condensed interim consolidated financial statements and MD&A are presented in United States ("US") dollars, except where noted, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the period ended March 31, 2024.

The MD&A contains forward-looking statements and should be read in conjunction with the risks discussed herein and those set out under the heading "Risk Factors" in Goldgroup's annual information form dated April 02, 2024 (the "AIF") and the Company's annual audited financial statements and MD&A for the year ended December 31, 2023. Please also refer to the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A.

OVERVIEW

Goldgroup is a Canadian-based mining Company that operates a heap-leach gold mine in the State of Sonora, Mexico and is led by a team of highly successful and seasoned individuals with extensive expertise in mine development, corporate finance, and exploration in Mexico. At the start of fiscal 2024, the Company was listed on the Toronto Stock Exchange ("TSX") under the symbol "GGA" and on the Over-The-Counter ("OTC") market under the symbol "GGAZF". On February 20, 2024, the Company transitioned to the Toronto Venture Exchange ("TSX-V") under the same trading symbols.

The profitability and operating cash flow of the Company are affected by various factors, including the amount of gold produced and sold, the market price of gold, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and development expenditures, decommissioning and restoration provisions and other discretionary costs. Goldgroup is also exposed to fluctuations in foreign currency exchange rates that can materially impact profitability and cash flow. To date, all of the Company's projects are located in Mexico and are subject to foreign investment risk, including increases in various levels of taxation and royalties, renegotiation of contracts, fuel cost changes, profit sharing law changes, property title risk and political uncertainty. While Goldgroup seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

The Company may need to raise additional funds over and above amounts raised to date to continue the development of Cerro Prieto, as well as to complete the exploration of its current land package. There can be no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be on terms favourable to the Company.

HIGHLIGHTS AND DEVELOPMENTS – Q1 2024

- In Q4 2021, the Company began operations in the new Puma zone which is classified as an exploration and evaluation property and all related revenue and production costs were capitalized which accounts for the minimal revenue and cost of sales in the statement of loss and comprehensive loss in fiscal 2023. In Q1 2024, the Company began operating from the Cerro Prieto pit and the Esperanza Extension which transitioned from exploration and evaluation asset to mineral property and therefore revenue and cost of sales were recorded through the statement of loss and comprehensive loss.

- During the period ended March 31, 2024, the Company produced 3,044 ounces of gold (Cerro Prieto 2,510, Esperanza 534) (March 31, 2023 - 4,231 – Cerro Prieto nil, Puma 4,231).

- During the period ended March 31, 2024, the average realized price for the gold sold was $2,072 (March 31, 2023 – $1,886).

- During the three months ended March 31, 2024, the Company's all-in sustaining cost of production per ounce was $1,669(1) and all-in cost per ounce was $2,044(1).

- During the three months ended March 31, 2023, Puma's all-in sustaining cost of production per ounce was $1,439(1) and all-in cost per ounce was $1,580(1).

- On January 16, 2024, Mr. Javier Montano resigned from the Board of Directors of the Company and was replaced by Mr. Roberto Guzman. Mr. Guzmán obtained a master's degree in Finance from the Universidad Tecnologica de Mexico in 1989 and has more than 25 years of experience in the Financial Sector, primarily in Mexico. Initially working as finance manager for several Mexican publicly traded companies as well as other private Mexican financial companies.

- On January 26, 2024, Mr. Javier Reyes resigned from the Board of Directors of the Company for personal reasons.

- On March 7, 2024 and May 21, 2024, the Company reported contractor fatalities at the Cerro Prieto mine. The Company is reviewing policies with employees and contractors to ensure appropriate safety procedures are in place and being followed.

(1) Cash cost is a non IFRS measure. See "Non IFRS Measures"

OUTLOOK

Main areas of focus for 2024 include:

- Cerro Prieto - the Company is pursuing exploration of nearby areas within our concessions to extend mine life and potentially increase production. The Company is analyzing potentially re-leaching material to extract residual gold from previously leached material which would increase gold production.
- Esperanza Extension - In Q1 2024 the Company began producing from the Esperanza Extension which is similar area in the same concession to the previously mined Puma zone.
- Satellite deposits – the Company is assessing additional satellite deposits in the area to evaluate whether there are economical ounces to be added to the Company's resource base.
- San José de Gracia – On March 6, 2023, the Company announced that it has filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes ("ICSID") against the United Mexican States. The treatment and inaction by the Mexican courts have resulted in a judicial expropriation of its subsidiary's investment in DynaResource de Mexico, S.A. de C.V. and a denial of justice in breach of Mexico's obligations under the North American Trade Agreement ("NAFTA"). On February 7, 2024, the Company filed its Memorial related to the NAFTA claim and is awaiting the response from the Mexican government. The Company is seeking damages as a result of Mexico's breaches of NAFTA.

Going concern

The Company has experienced recurring operating losses and has an accumulated deficit of $156.4 million at March 31, 2024. In addition, as at March 31, 2024, the Company has working capital deficiency of $8.3 million. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The continuing operations of the Company are dependent upon its ability to arrange additional financing and resolving the legal disputes with DynaUSA. These matters result in material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for the financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the classifications used in the statement of financial position.

Recent global issues, including the ongoing COVID-19 pandemic and political conflict in other regions have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations this time.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Operating Statistics	Three months ended March 31, 2024	Three months ended March 31, 2023
Ore mined (tonnes)	261,514	202,061
Run of mine (tonnes)	97,765	41,657
Waste mined (tonnes)	1,256,401	1,916,840
Total mined (tonnes)	1,615,680	2,160,558
Waste-to-ore-ratio	3.50	7.86
Ore to pad (tonnes)	182,905	149,416
ROM to pad (tonnes)	97,765	60,887
Recovery	37%	79%
Grade of ore mined (g/t Au)	1.04	0.88
Grade of ROM mines (g/t Au)	1.08	0.68
Grade of ore placed on pad (g/t Au)	0.83	0.73
Grade of ROM placed on pad (g/t Au)	1.08	0.74
Gold ounces – produced	3,044	4,231
Gold ounces – sold	2,781	4,277
Average realized gold price per ounce sold	$ 2,072	$ 1,886

Three months ended March 31, 2024 compared to three months ended March 31, 2023

Total gold produced has decreased from the comparative period primarily due to lower recoveries associated with the Company placing lager amounts or Run Of Mine (ROM) material on the Leach pad as a result of significant crusher breakdown time which did not allow optimal crush size negatively affecting recoveries. The grade mined was higher in the current year as a result of the production area during the year. The waste-to-ore ratio has significantly reduced due to the low stripping required to access the Esperanza Extension ore.

	Three months ended March 31,	
(tabled amounts are expressed in thousands of U.S dollars)	**2024**	**2023**
Metal sales	$ 5,840	$ -
Cost of sales	(4,891)	-
Depreciation and depletion	(267)	-
Gross profit	682	-
General and administration[(a)]	(1,082)	(617)
Finance cost, net	(43)	(111)
Foreign exchange gain	87	(142)
Warrant liability – unrealized gain	9	22
Other expense	101	132
Income (loss) before income taxes	(246)	(716)
Provision for income taxes:		
Current	(26)	(126)
Future	-	-
Net loss	(272)	(842)
Other comprehensive loss	-	-
Total Comprehensive loss for the period	$ (272)	$ (842)
Basic & diluted loss per share	(0.00)	(0.03)

(a) General and administration expense include amortization expense, non-cash stock based compensation expense, salary and consulting expense, professional fees and exploration expense.

	As at March 31,	
(tabled amounts are expressed in thousands of U.S dollars)	**2024**	**2023**
Cash and cash equivalents	$ 355	$ 761
Total assets	9,179	13,998
Non-current financial liabilities	118	145
Lease liabilities	60	137
Cash dividends declared	$ 0.00	$ 0.00

Gross profit was $0.7 million in the current period compared to a gross loss of $nil in the comparative period. In the comparative period, the Company was operating in the Puma zone which was classified as an exploration and evaluation asset and all related revenue and production costs were capitalized which accounts for $nil revenue and cost of sales in the comparative period. In Q1 2024, the Company was operating from its mineral properties and therefore recorded sales and cost of sales through the statement of loss and comprehensive loss.

General and administration expenses were higher in the current period when compared to prior year's comparative period due to increased legal expenses regarding the Dyna legal dispute. Finance cost has decreased over the comparative period due to the lower amount of outstanding debt as a large portion of the outstanding debt was converted to equity in the prior year. Foreign exchange and warrant liability unrealized gain fluctuated dependent on volatility of market conditions.

Income tax expense and recovery fluctuated due to the level of mining activity. Non-cash deferred income tax expense for accounting purpose depends on the difference between carrying value for accounting purpose and tax basis.

Cash and cash equivalents decreased in the current period when compared to the comparative period due to decreased cash from operations and timing of sales receipts. Total assets were lower than prior year due to the impairment of exploration and evaluation assets recorded in the prior year. Non-current financial liabilities decreased as payments on the lease assets are being made.

QUARTERLY RESULTS

(tabled amounts are expressed in thousands of U.S. dollars)	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**
Revenue	5,763	4,674	3,793	1,326	-	-	-	-
Income (loss) income from mine operations	682	983	(251)	708	-	-	-	-
Net income (loss)	(272)	249	(1,070)	(5,083)	(842)	(923)	(344)	(887)
Total comprehensive income (loss) for the period	(272)	249	(1,070)	(5,083)	(842)	(923)	(344)	(887)
Basic and diluted earnings (loss) per share	(0.00)	0.00	(0.02)	(0.11)	(0.02)	(0.04)	(0.02)	(0.04)
Diluted earnings (loss) per share	(0.00)	0.00	(0.02)	(0.11)	(0.02)	(0.04)	(0.02)	(0.04)
Cash and cash equivalents	355	292	217	603	761	459	657	722
Total assets	9,179	9,419	9,091	10,204	13,998	15,405	15,915	12,163
Non-current financial liabilities	118	137	60	71	145	166	244	829
Cash dividend declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total ounces produced	3,044	2,470	3,105	3,106	4,231	2,972	2,569	3,360
Total ounces sold	2,781	2,468	3,106	3,115	4,277	3,396	2,432	3,031

Three months ended March 31, 2024 statement of losses compared with previous quarters in 2023 and 2022

Revenue has fluctuated over the years as the Company switched from producing at Cerro Prieto to the Puma zone in Q4 2021 which is classified as an exploration and evaluation asset and all related revenue and production costs are capitalized and now back to mineral properties including the new Esperanza Extension. Revenue is the current period was the highest than any other period due to the record high price of gold in the period.

Net loss was $0.3 million in the current quarter and has fluctuated over the years. The net loss in the current period was the result of lower recovery of the gold due to the secondary crusher down time which reduced overall production and increased the cash cost per ounce.

Total gold produced has fluctuated over the quarters due to grade mined in the different areas of the pit and the Company utilizing both high-grade and run-of-mine material. Total gold produced in Q1 2024 is higher than Q4 2023, Q4, 2022 and Q3 2022 but lower than the remaining comparative periods as the tonnage and grade mined was higher but the overall recovery was significantly lower than the prior periods because of the down time of the secondary crusher which reduce the crush size of the ore and realized recovery.

Total assets and non-current liabilities as at March 31, 2024 compared with previous quarters in 2023 and 2022

Total assets fluctuated with the mark-to-market gains and losses of the marketable securities, changes in inventory balances, and addition the capitalization of the Puma operations.

Non-current financial liabilities are $0.1 million and fluctuate over periods due to classification of loans from long-term to current and payment of lease liabilities.

CERRO PRIETO PROJECT, MEXICO

Overview

The Cerro Prieto project, located in the Cucurpe Mining District, Sonora, Mexico, is comprised of the San Felix (205 ha), San Francisco (10 ha), Elba (5.82 ha), Huerta de Oro (20 ha), Reyna de Plata (9.79 ha), Cerro Prieto “North” (2,508 ha) and Argonauta 6 (4,120 ha) mineral concessions. Cerro Prieto is 52 road kilometers from the regional center of Magdalena de Kino (population 40,000) and 150 kilometers northeast of the city of Hermosillo.

Gold is produced in doré in Mexico and then shipped to a refiner in the United States for final refining prior to sale. Cerro Prieto is subject to a 2% NSR royalty payable upon production.

The Company wishes to make clear that it currently does not have a current NI 43-101 for Cerro Prieto and that any previous information disclosed should not be relied on until it has been verified and supported by a technical report. In addition, the Company is not basing its production decision on a preliminary economic assessment demonstrating the potential viability of mineral resources or a feasibility study of mineral reserves demonstrating economic and technical viability, and as a result there is increased uncertainty and these are multiple technical and economic risks of failure which are associated with this production decision.

Exploration Update

Cumbre – Esperanza Zones 2023 Drilling

Highlights of some significant drill hole intersections

- DDH Hole **CP362** - meters of **19.70 @ 1.03 g/t** Gold and 3.58 g/t Silver
- DDH Hole **CP384** - meters of **12.20 @ 1.26 g/t** Gold and 0.64 g/t Silver
- DDH Hole **CP374** - meters of **37.78 @ 0.88 g/t** Gold and 1.70 g/t Silver
- DDH Hole **CP367** - meters of **17.97 @ 1.13 g/t** Gold and 6.07 g/t Silver

Diamond Drilling sample fire assay analytical results for gold and silver for 30 holes drilled on the Cumbre and Esperanza are shown in Table I below. Drill hole location and orientation are shown in Table 2 and Figure 2 below. Independent sample assay analysis was conducted by ALS Chemex , located in Hermosillo, Mexico.

Table 1 – Assay Results Cumbre & Esperanza
ESP=Interval width, Au and Ag in g/t

HOLE_CP387 - ESPERANZAS				
3366725.66 N, 532563.2 E, 1145 ELEV, LENGTH 115.20, DIP -45˚				
FROM	TO	ESP	Au	Ag
22.85	24.40	1.55	0.28	4.79
41.10	42.70	1.60	0.48	3.63
44.20	45.75	1.55	0.52	0.00
55.72	57.71	1.99	0.43	2.68
59.70	75.48	15.78	0.46	5.80
	TOTAL	22.47		

HOLE_CP388 - ESPERANZAS				
3366683.51 N, 532597.49 E, 1154 ELEV, LENGTH 70.15, DIP -45˚				
FROM	TO	ESP	Au	Ag
0.00	3.05	3.05	0.28	0.35
33.55	46.75	13.20	1.33	6.46
	TOTAL	16.25		

HOLE_CP389 - ESPERANZAS				
336663.198 N, 532616 E, 1159 ELEV, LENGTH 50.3, DIP -45˚				
FROM	TO	ESP	Au	Ag
15.25	19.80	4.55	0.30	0.47
24.40	36.60	12.20	0.77	0.31
	TOTAL	16.75		

HOLE_CP390 - ESPERANZAS				
3366649.87 N, 532571.47 E, 1142 ELEV, LENGTH 108.25, DIP -45˚				
FROM	TO	ESP	Au	Ag
0.00	3.05	3.05	0.66	0.00
	TOTAL	3.05		

HOLE_CP405 - ESPERANZAS				
66879.01 N, 532708.93 E, 1245.1 ELEV, LENGTH 253.15, DIP -				
FROM	TO	ESP	Au	Ag
18.30	21.80	3.50	0.20	0.00
25.20	30.50	5.30	0.37	0.00
45.76	51.85	6.09	0.24	11.57
68.20	70.20	2.00	0.33	3.25
138.60	147.70	9.10	0.62	2.86
165.25	173.50	8.25	0.32	1.73
183.00	184.50	1.50	0.22	19.42
	TOTAL	35.74		

HOLE_CP406 - ESPERANZAS				
366889.46 N, 532725.54 E, 1245 ELEV, LENGTH 219.2, DIP -4				
FROM	TO	ESP	Au	Ag
0.00	43.89	43.89	0.43	7.32
53.35	56.40	3.05	0.30	1.34
68.60	70.42	1.82	0.34	2.80
95.85	97.85	2.00	0.29	0.67
103.85	105.37	1.52	0.31	5.88
166.60	175.65	9.05	0.93	3.54
184.45	204.87	20.42	0.45	5.93
	TOTAL	81.75		

o.

Table 1 – Assay Results Cumbre & Esperanza, cont.

HOLE_CP377 - NUEVA ESPERANZA				
3367055.92 N, 532585.5 E, 1116 ELEV, LENGTH 146.4, DIP -45'				
FROM	TO	ESP	Au	Ag
13.88	15.25	1.37	0.20	1.59
22.40	27.45	5.05	0.49	10.91
30.50	35.05	4.55	1.97	20.72
	TOTAL	10.97		

HOLE_CP378 - NUEVA ESPERANZA				
3367081.47 N, 532545.41 E, 1091 ELEV, LENGTH 137.25, DIP -45'				
FROM	TO	ESP	Au	Ag
27.45	30.50	3.05	0.34	9.59
33.50	36.60	3.10	1.21	16.03
55.30	56.49	1.19	0.90	0.00
134.50	137.25	2.75	0.40	0.00
	TOTAL	10.09		

HOLE_CP375 - ESPERANZA				
3366687.69 N, 532653.179 E, 1176.61 ELEV, LENGTH 189.1, DIP -45'				
FROM	TO	ESP	Au	Ag
3.05	6.60	3.55	0.33	5.09
12.20	13.70	1.50	0.31	0.00
15.25	16.75	1.50	0.25	1.66
18.30	19.80	1.50	0.26	0.81
27.25	28.60	1.35	0.59	2.85
38.10	44.20	6.10	0.69	2.73
48.97	52.94	3.97	0.80	5.37
54.22	58.59	4.37	0.99	1.82
90.40	91.65	1.25	0.21	6.75
151.23	152.13	0.90	0.63	0.00
	TOTAL	25.99		

HOLE_CP412 - ESPERANZAS				
3366866.74 N, 532687.48 E, 1245.89 ELEV, LENGTH 214.50, DIP -45				
FROM	TO	ESP	Au	Ag
0.00	1.50	1.50	1.13	4.36
7.50	8.90	1.40	1.78	10.05
11.00	14.16	3.16	0.37	10.24
20.00	22.00	2.00	0.85	0.68
26.00	27.55	1.55	0.25	1.26
29.55	31.55	2.00	0.24	0.00
39.60	42.65	3.05	0.43	3.23
47.60	54.25	6.65	0.60	13.83
57.71	59.45	1.74	0.42	8.92
64.52	66.00	1.48	0.29	7.00
81.00	84.00	3.00	2.23	19.62
90.00	100.50	10.50	0.57	6.39
	TOTAL	38.03		

HOLE_CP386 - ESPERANZAS				
3366657.11 N, 532677.329 E, 1165.7 ELEV, LENGTH 137.5, DIP -45'				
FROM	TO	ESP	Au	Ag
41.11	43.25	2.14	0.87	0.00
61.00	67.10	6.10	2.05	5.59
76.25	77.90	1.65	0.24	6.64
	TOTAL	9.89		

HOLE_CP385 - ESPERANZAS				
3366766.95 N, 532723.646 E, 1201 ELEV, LENGTH 155.55, DIP -45'				
FROM	TO	ESP	Au	Ag
141.07	143.13	2.06	0.35	0.00
	TOTAL	2.06		

HOLE_CP374 - ESPERANZAS				
791.41 N, 532695.63 E, 1224.00 ELEV, LENGTH 247.05, DIP -				
FROM	TO	ESP	Au	Ag
35.05	36.60	1.55	0.68	5.97
93.23	94.40	1.17	0.26	3.15
100.65	105.20	4.55	1.16	8.73
111.30	112.85	1.55	4.78	4.30
127.00	128.47	1.47	0.34	0.00
130.37	134.20	3.83	0.83	0.15
135.70	137.25	1.55	0.43	0.00
155.27	158.97	3.70	0.75	4.17
161.65	164.41	2.76	0.45	1.17
172.30	185.50	13.20	2.05	3.18
189.88	193.05	3.17	0.34	0.72
215.00	216.16	1.16	0.26	10.03
	TOTAL	39.66		

HOLE_CP373 - ESPERANZAS				
6741.40 N, 532701.73 E, 1198.73 ELEV, LENGTH 138.75, DIP				
FROM	TO	ESP	Au	Ag
7.60	12.20	4.60	0.70	0.92
15.25	17.22	1.97	0.44	0.00
42.70	44.20	1.50	0.25	2.01
46.42	47.48	1.06	0.25	0.00
69.53	70.65	1.12	0.31	0.00
74.70	77.10	2.40	0.98	0.00
86.25	87.45	1.20	0.31	0.00
133.78	137.78	4.00	0.29	2.21
	TOTAL	17.85		

HOLE_CP384 - ESPERANZAS				
366693.15 N, 532700.72 E, 1172 ELEV, LENGTH 189.1, DIP -45				
FROM	TO	ESP	Au	Ag
93.00	94.55	1.55	0.36	1.79
97.60	111.30	13.70	1.15	0.44
	TOTAL	15.25		

HOLE_CP383 - ESPERANZAS				
6714.11 N, 532716.377 E, 1178.8 ELEV, LENGTH 228.75, DIP -				
FROM	TO	ESP	Au	Ag
69.46	71.37	1.91	0.24	1.31
138.75	140.30	1.55	0.38	6.12
184.50	187.55	3.05	0.23	0.00
195.20	196.70	1.50	0.28	4.08
	TOTAL	8.01		

HOLE_CP382 - ESPERANZAS				
6617.88 N, 532539.136 E, 1138 ELEV, LENGTH 125.05, DIP -5				
FROM	TO	ESP	Au	Ag
0.00	7.85	7.85	0.26	4.57
15.85	21.38	5.53	0.20	1.79
30.05	31.95	1.90	0.22	0.00
58.16	61.84	3.68	0.46	3.62
	TOTAL	18.96		

HOLE_CP381 - ESPERANZAS				
6618.97 N, 532603.177 E, 1147.92 ELEV, LENGTH 59.45, DIP -				
FROM	TO	ESP	Au	Ag
0.00	5.17	5.17	0.20	9.04
	TOTAL	5.17		

Table 2.- Drill hole information for Cumbre & Esperanzas

DDH ESPERANZAS									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
925	3366730.91	532581.032	1156.032		CP220	73	-45	50	57.95
900	3366704	532591	1150		CP221	73	-45	60	61
925	3366740.38	532612.79	1177		CP223	73	-50	70	70.15
950	3366759.43	532589.122	1170.7		CP224	73	-55	73	62.50
	3366636	532611	1148		CP225	73	-45	68	68.6
							TOTAL (m)	321	320.20
MARCH-APRIL									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
975	3366829.04	532717.833	1226	PBEE-01	CP363	253	-45	185	216.55
1000	3366839.54	532682.951	1247.982	PBEE-02	CP362	253	-45	150	152.5
1025	3366866.74	532687.48	1245.897	PBEE-03	CP364	280	-45	165	195.2
N-S	3366970.65	532654.185	1186	PBEE-04	CP365	0	-90	130	131.15
	3366862.8	532674.73	1245.89	PBEE-07	CP366	253	-45	150	183
1025	3366850	532707	1239	PBEE-08	CP367	253	-45	150	213.5
							TOTAL (m)	930	1091.90
MAY									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
975	3366822.17	532688.87	1242.39	PBEE-12	CP370	253°	-45°	200	239.40
1000	3366860.76	532742.66	1227.72	PBEE-13	CP372	253°	-45°	220	274.50
1025	3366873.76	532707.12	1246.32	PBEE-14	CP371	253°	-45°	140	208.90
950	3366791.41	532695.63	1224.00	PBEE-16	CP374	253°	-45°	150	247.05
900	3366741.40	532701.73	1198.73	PBEE-18	CP373	253°	-45°	155	138.75
875	3366687.69	532653.179	1176.61	PBEE-20	CP375	253°	-45°	170	189.1
							TOTAL (m)	865	1297.70
JULY									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
800	3366618.97	532603.177	1147.92	PBEE-26	CP381	253	-45°	80	59.45
925	3366766.95	532723.646	1201	PBEE-28	CP385	253	-45°	170	155.55
825	3366617.88	532539.136	1138	PBEE-29	CP382	253	-50°	120	125.05
875	3366714.11	532716.377	1178.8	PBEE-30	CP383	253	-45°	165	228.75
850	3366693.15	532700.72	1172	PBEE-31	CP384	253	-45°	150	189.1
825	3366657.11	532677.329	1165.7	PBEE-32	CP386	253	-45	125	137.5
925	3366725.66	532563.2	1145	PBEE-34	CP387	73°	-45	100	115.20
875	3366683.51	532597.49	1154	PBEE-36	CP388	73°	-45	70	70.15
850	336663.198	532616	1159	PBEE-37	CP389	73°	-45	50	50.3
850	3366649.87	532571.47	1142	PBEE-38	CP390	73°	-45	80	108.25
							TOTAL (m)	1110	1239.30
SEPTEMBER									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
BR1025-F1100	3366866.74	532687.48	1245.89	PBEC-68	CP412	267°	-45°	200	214.50
BR1025-F1100	3366879.01	532708.93	1245.1	PBEC-69	CP405	280°	-45°	200	253.15
BR1025-F1100	3366889.46	532725.54	1245	PBEC-70	CP406	280°	-45°	200	219.2
				TOTAL DDH'S	30		TOTAL (m)	600	686.85
GRAND TOTAL METERS DRILLED							TOTAL DDH (m)	3505	4635.95

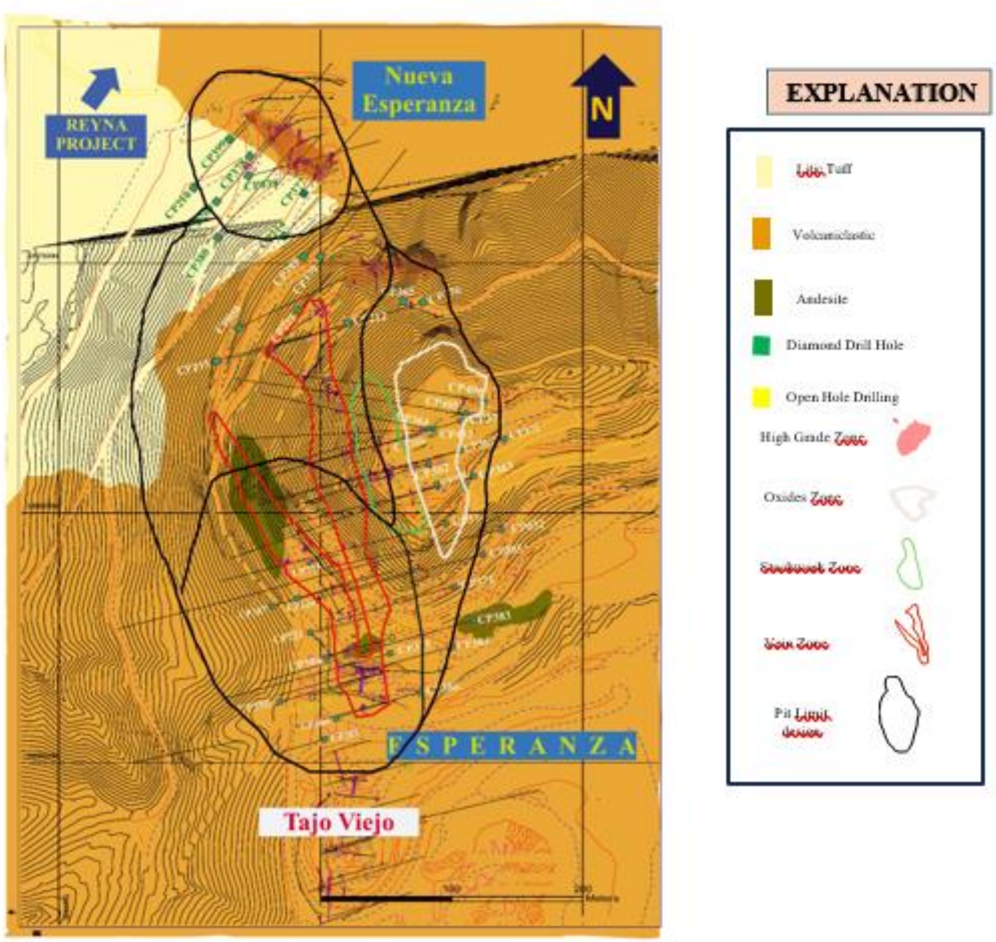

Figure 2.- Drill hole map for the Cumbre & Esperanzas

The Company has internally modeled an open pit shell containing the identified mineralization and has chosen to advance these two zones into production. Mine ramp preparation, waste stripping was completed during January and February 2024 and production blasting and mining of mineralized material commenced at the end of February 2024.

The Company cautions that it has chosen to advance the Cumbre and Esperanza zones into production without the benefit of completing a feasibility study demonstrating economic and technical viability or, an independent technical report confirming resources. Accordingly, readers should be cautioned that Goldgroup's production decision has been made without a comprehensive feasibility study of established reserves or resources such that there is greater risk and uncertainty as to future economic results from the Cerro Prieto Mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision.

Nueva Esperanza Zone Drilling

The Company has diamond drill tested the Nueva Esperanza zone immediately north and contiguous to the Esperanza zone, together forming the Esperanzas zone. 13 drill holes at 25 line spacing encountering significant mineralization across appreciable widths with assay result as shown in Table 2 below and drill hole location and orientation in Figure 2 above.

Highlights of some significant drill hole intersections on Nueva Esperanza

- DDH Hole CP209 – **7.97 meters** of **1.67 g/t Gold** and 6.28 g/t Silver
- DDH Hole CP377 – **11.15 meters** of **1.07 g/t Gold** and 11.46 g/t Silver
- DDH Hole CP212 – **9.42 meters** of **0.42 g/t Gold** and 2.15 g/t Silver
- DDH Hole CP376 – **7.72 meters** of **0.88 g/t Gold** and 0.77 g/t Silver

Table 3.- Drill hole information for Nueva Esperanza

DDH NUEVA ESPERANZA									
SECTION	LOCATION			PLAN DDH	DDH	AZ	INC.	PLANNED DEPTH	DRILLED DEPTH
	NORTH	EAST	ELEV						
-75	3366948.37	532537.34	1128.19		CP050	63	-45	50	50
0	3367049.03	532521.57	1091		CP209	40	-45	125	129.6
25	3367059.17	532500.963	1078.3		CP210	40	-45	120	120.45
-50	3367020.25	532571.02	1118.8		CP214	40	-50	67	67.1
-75	3366921.67	532520.72	1128		CP215	73	-45	93	94.55
-100	3366959.05	532580.5	1154		CP222	40	-45	70	73
-175	3366968.56	532678.612	1186		CP376	253	-45	250	253
-50	3367055.92	532585.5	1116		CP377	40	-45	146	146.4
0	3367081.47	532545.41	1091		CP378	40	-45	135	137.25
-100	3367005.24	532599.95	1166.02		CP379	40	-45	145	146.4
-25	3367022.5	532521	1097		CP380	40	-45	130	134.4
-75	3367000.53	532583.26	1138		CP398	40	-45	90	94.55
25	3367097.89	532529.69	1080.08		CP399	40	-45	90	93
				TOTAL DDH	13		TOTAL (m)	1511	1539.70

New Mineralized Zones - Recent Surface Exploration Identifies

Recent surface exploration up to 1.7 km south of the mine's heap leach pads has identified the potential southern extension of the Cerro Prieto Shear within the Cata and Coati Zones as well as exposed the Cascabel Zone, a parallel mineralized structure. Internal mine lab assay results are presented in Table 4 and sample locations in Figure 3 below. Please note, these exploration samples assay results have not been verified by an independent laboratory.

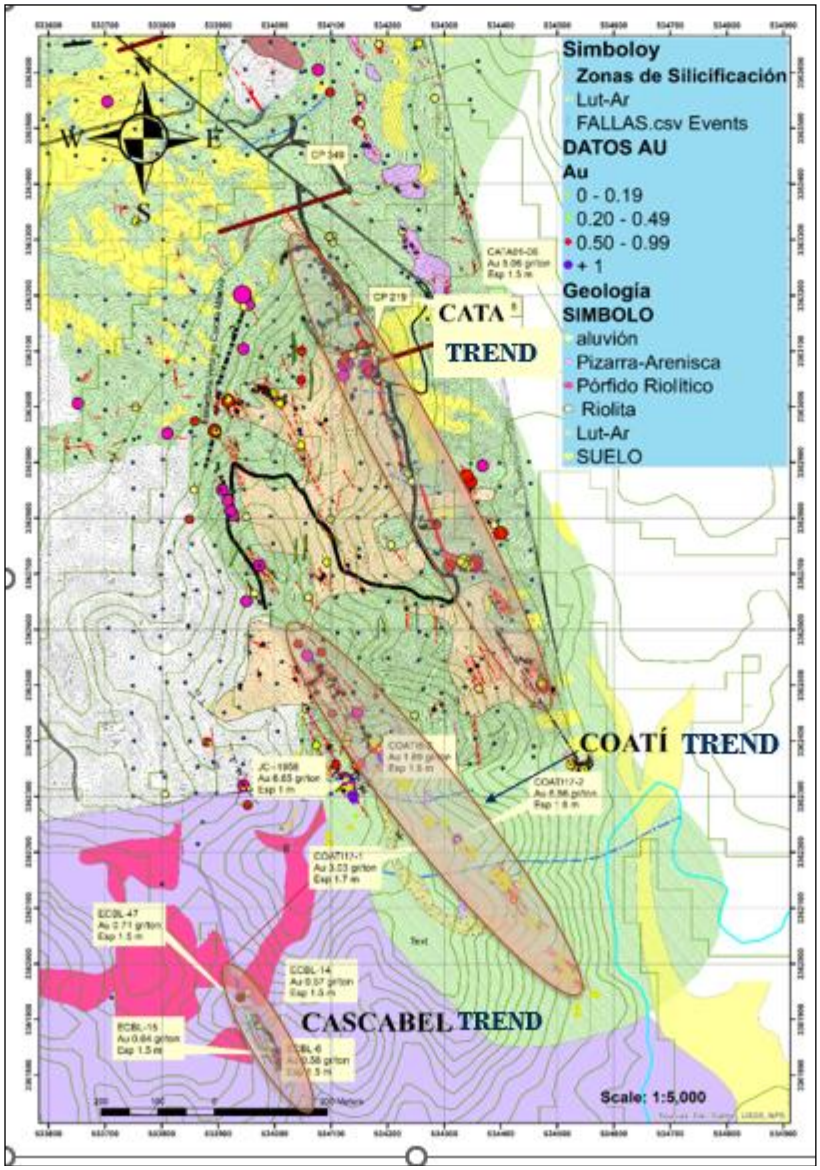

Figure 2.- Recent surface exploration at Coati, Cata and Cascabel

Table 4.- Highlights of assay data for exploration sampling at Coati, Cata and Cascabel

COATI			
ID	**Width**(m)	Au	Ag
COATI6-2	1.5	1.89	2.13
COATI17-1	1.7	3.03	14.07
COATI17-2	1.8	6.56	19.17
JC-1958	1	6.65	40.45
TOTAL	6		

CATA			
ID	**Width (m)**	**Au**	**Ag**
CATA-046	**1.5**	**1.66**	**475.14**
CATA01-06	**1.5**	**5.06**	**13.71**
TOTAL	**3**		

CASCABEL			
ID	**Width** (m)	Au	Ag
ECBL-6	1.5	0.58	1.71
ECBL-14	1.5	0.57	3.17
ECBL-15	1.5	0.64	1.19
ECBL-47	1.5	0.71	4.72
TOTAL	6		

Technical Report Update In Progress.

Goldgroup has retained a Qualified Person that is preparing an updated comprehensive technical report for the Cerro Prieto Mine. Completion and publication of this report is expected in Q3 2024.

SAN JOSÉ DE GRACIA PROJECT, MEXICO

Overview

The Company has an interest in DynaResource de Mexico S.A. de C.V. ("DynaMexico") which owns 100% of an exploration project known as the San José de Gracia ("SJG") located in the state of Sinaloa, Mexico. The other interested party of DynaMexico is Dyna Resource, Inc. ("DynaUSA").

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 DynaUSA and DynaMexico.

DynaMexico alleged, among other things, that the Company has wrongfully used and disseminated confidential information and data belonging to DynaMexico, and materially misrepresented Goldgroup's ownership interest in SJG. On March 7, 2014, DynaMexico dropped its lawsuit against the Company.

On August 24, 2017, a Federal Amparo judge in the state of Veracruz, Mexico, dismissed Goldgroup Resources Inc.'s Amparo challenge. Goldgroup's position in response to the USD$48 million claim remains the same, that Goldgroup was never notified of the purported court case, and does not recognize any of the claims mentioned therein and is of the belief that such claims are entirely without merit. The Company pursued the case to the Mexican Supreme Court level to get the judgment overturned.

On December 6, 2019, the 11th Federal Circuit Collegiate Court in México denied Goldgroup's Amparo regarding the USD $48 million claim and on February 20, 2020 a Mexico City court issued a judgment in favour of DynaMexico.

On February 23, 2022, Goldgroup filed another Motion for Contempt against DynaUSA, asserting that DynaUSA had not fully complied with the Court's September 3, 2021 order or with the non-monetary relief mandated by the Court's May 9, 2019 final judgment. This motion was denied by the court on March 5, 2024.

On December 4, 2020, DynaMexico filed another claim seeking recognition of the judgment under the Texas Uniform Foreign-County Money Judgment Recognition Act. The Company has filed a Special Appearance, Motion to Dismiss for Improper Venue, and Motion for Non-Recognition in response. A hearing was held on the Special Appearance and Motion to Dismiss for Improper Venue on February 8, 2021 and on May 12, 2021, the 134th Judicial District Court, as a District Court of the State of Texas, ruled it is not required to recognize DynaMexico's foreign judgment from the country of Mexico. DynaUSA has appealed this decision and the appeal has been fully briefed and oral arguments were held on April 20, 2022. On May 2, 2023, the court of appeals dismissed DynaUSA's appeal.

On March 6, 2023, the Company announced that it has filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes ("ICSID") against the United Mexican States. The treatment and inaction by the Mexican courts have resulted in a judicial expropriation of its subsidiary's investment in DynaMexico and a denial of justice in breach of Mexico's obligations under the North American Trade Agreement ("NAFTA"). On February 7, 2024, the Company filed its Memorial related to the NAFTA claim and is awaiting the response from the Mexican government. The Company is seeking damages as a result of Mexico's breaches of NAFTA.

LIQUIDITY AND CAPITAL RESOURCES

A summary of the Company's cash position and changes in cash and cash equivalents for:

	For three months ended March 31,			
(tabled amounts are expressed in thousands of U.S. dollars)		**2024**		**2023**
Cash used by operating activities - net	$	92	$	(2,346)
Cash (used) generated in investing activities		-		2,679
Cash (used) generated by financing activities		(29)		(31)
(Decrease) increase in cash and cash equivalents		63		302
Cash and cash equivalents, beginning of period		292		459
Cash and cash equivalents, end of period	$	355	$	761

Cash inflow from operating activities were higher in the current year due to cash flows from mining operations and the change in working capital items (e.g. decrease in accounts receivables), net of corporate expenses.

Cash from investing activities were $nil in the current period as the Company did not have any investing activities.

Cash outflows from financing activities were lower than the comparative period in 2023 as the Company made payments on the outstanding leases.

SHAREHOLDER'S EQUITY

The Company's authorized capital stock consists of an unlimited number of common shares without par value. As at March 31, 2024 and the date of this report, the Company had 82,743,156 common shares, 7,990,000 stock options and 1,744,286 warrants outstanding.

Table below provides a summary of the warrants outstanding as at the date of this report:

Expiry date	Number of warrants	Exercise price (CDN$)
June 9, 2025	1,744,286	0.50
Balance, as at the date of this report	1,744,286	

The table below provides a summary of the stock options outstanding as at the date of this report:

Expiry date	Number of stock options	Number of stock options (vested)	Exercise price (CDN$)
July 27, 2025	815,000	815,000	0.35
December 22, 2026	725,000	725,000	0.35
October 31, 2028	6,450,000	1,612,500	0.04
Balance, as at the date of this report	7,990,000	3,152,500	

REGULATORY DISCLOSURES

Off balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions as at March 31, 2024 other than as disclosed elsewhere in this document.

Financial instruments

Fair values of financial instruments

The fair values of financial instruments are summarized as follows:

Fair value measurements

The accounting classification and of each category of financial instruments, and the level within the fair value hierarchy in which they have been classified are set out below:

Denominated in '000 USD	Fair Value Hierarchy Level	March 31, 2024	December 31, 2023
Financial assets			
Amortized cost			
Cash and cash equivalents (1)	N/A	$ 355	$ 292
Receivables (1)	N/A	231	214
Financial liabilities			
Other financial liabilities			
Accounts payable & accrued liabilities (1)	N/A	13,455	13,469
Loan payable (3)	N/A	-	100
Convertible debt	N/A	93	-
Lease liabilities	N/A	60	82
Warrant liability (2)	Level 3	2	11

(1) The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximates fair value due to the short-term nature of these items.

(2) The Company applies a standard Black-Scholes model to value the warrant liability.

(3) Loans payable is presented on an amortized cost basis and will be accreted to its face amount over the term to maturity of the loan at an effective interest rate.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The majority of the Company's cash and cash equivalents and restricted cash are held through large Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in the capital management section below. The accounts payable and accrued liabilities, lease liabilities, loan payable and income taxes payable are due within the current operating period. The Company is exposed to liquidity risk.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. Some of these investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their properties. The Company closely monitors market values to determine the most appropriate course of action.

Price Risk

Price risk is the risk that the trading price of the Company's shares will fluctuate and result in an increase or decrease in value of the warrant liability.

Commodity Price Risk

The Company is exposed to commodity price risk given that its revenues are derived from the sale of metals, the price of which have been historically volatile.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities and loans payable. A 1% change in market interest rates would result in no significant change in value of cash and cash equivalents or fixed income securities. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity.

Foreign Exchange Risk

The Company operates in Canada and Mexico and is exposed to foreign exchange risk arising from transactions denominated in foreign currencies.

The operating results and the financial position of the Company are reported in United States dollars. Fluctuations of the operating currencies in relation to the United States dollar will have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

The Company's financial assets and liabilities as at March 31, 2024 are denominated in United States Dollars, Canadian Dollars, and Mexican Pesos, and are set out in the following table:

Denominated in '000 USD	Canadian Dollars	US Dollars	Mexico Pesos	Total
Financial assets				
Cash and cash equivalents	$ 3	$ 336	$ 16	$ 355
Receivables - other	-	231	-	231
	3	567	16	586
Financial liabilities				
Accounts payable and accrued liabilities	(430)	(8,454)	(4,571)	(13,455)
Convertible debenture	-	(93)	-	(93)
Lease liabilities	(60)	-	-	(60)
Warrant liability	(2)	-	-	(2)
Net financial (liabilities) assets	$ (489)	$ (7,980)	$ (4,555)	$ (13,024)

The Company's financial assets and liabilities as at December 31, 2023 are denominated in United States Dollars, Canadian Dollars, and Mexican Pesos, and are set out in the following table:

Denominated in '000 USD	**Canadian Dollars**	**US Dollars**	**Mexico Pesos**	**Total**
Financial assets				
Cash and cash equivalents	$ 82	$ 198	$ 12	$ 292
Receivables - other	-	214	-	214
	82	412	12	506
Financial liabilities				
Accounts payable and accrued liabilities	(313)	(8,698)	(4,458)	(13,469)
Loan payable	-	(100)	-	(100)
Lease liability	(82)	-	-	(82)
Warrant liability	(11)	-	-	(11)
Net financial (liabilities) assets	$ (324)	$ (8,386)	$ (4,446)	$ (13,156)

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and US dollar to Mexican Pesos exchange rate. As of March 31, 2024, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial assets by approximately $49,000 (December 31, 2023 - $32,000). A 10% depreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. A 10% appreciation of the Mexican Pesos relative to the US dollar would have decreased net financial asset by approximately $456,000 (December 31, 2023 - $445,000) and a 10% depreciation of the Mexican Pesos would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities:

March 31, 2024 *(Denominated in '000 USD)*	**Current – within 1 year**	**Non- current – 1 to 3 years**
Accounts payables and accrued liabilities	$ 13,455	$ -
Loan payable	93	-
Lease liabilities	37	23
	$ 13,585	$ 23

December 31, 2023 *(Denominated in '000 USD)*	**Current – within 1 year**	**Non- current – 1 to 3 years**
Accounts payables and accrued liabilities	$ 13,469	$ -
Loan payable	56	26
Lease liabilities	-	100
	13,525	126

Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel include officers, directors or companies with common directors of the Company. The remuneration of the Company's directors and other key management personnel during the period ended March 31, are as follows:

(Denominated in '000 USD)	**2024**	**2023**
Short-term employee benefits included in salary and consulting	$ 62	$ 33
Director's fees included in professional fess	23	29
Share-based compensation	28	-
Consulting fees included in salary and consulting	18	27
	$ 131	$ 89

Short-term employee benefits include salaries incurred within the last three months of the statement of financial position date and other annual employee benefits. They are included in cost of sales, administrative expenses and exploration and evaluation properties.

At March 31, 2024, accounts payable and accrued liabilities includes $203,000 (December 31, 2023 - $192,000) owing to a director and/or officer and/or companies controlled by the directors.

During the period ended March 31, 2024 the Company paid consulting fees totalling $18,000 (2023 - $27,000) to companies controlled by directors and/or officers of the Company.

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand.

Capital management

The capital of the Company consists of items included in shareholder's equity (deficiency). The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at March 31, 2024, the Company expects its capital resources will require additional support for its normal operating requirements, planned development and exploration of its mineral properties for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied.

Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Significant judgments in applying accounting policies

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

a) Impairment assets

The carrying value of property, plant and equipment, exploration and evaluation properties and the Company's mineral properties is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values, including those of the cash-generating units, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

b) **Economic recoverability and probability of future economic benefits of exploration and development costs**

Management has determined that exploratory drilling and evaluation, costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

c) Functional currency

The functional currency for each of the Company's subsidiaries, joint ventures and investments in associates, is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each entity is the US dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Key sources of Estimation Uncertainty

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

a) Mineral resources estimation

The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. The determination of mineral resources also requires the use of estimates. The Company estimates its mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101, Standards for Disclosure of Mineral Projects. There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates may change the economic status of resources and may result in changes to resource estimates.

b) Depreciation and depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production (“UOP”) method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from estimated resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on estimated recoverable resources.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

c) Decommissioning and restoration provision

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management’s best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

d) Contingencies

Due to the size, complexity and nature of the Company’s operations, various legal and tax matters are outstanding from time to time. In the event that management’s estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

e) Deferred taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

f) Acquisition of Minera Cerro Esperanza S.A de C.V. ("MER")
During the year ended December 31, 2023, the Company acquired 100% of the outstanding shares of MER which owned the Cerro Prieto mining concessions post Accendo debt settlement. Management determined that the purchase represented an acquisition of assets rather than a business combination. The allocation of purchase consideration to each component is based on the relative fair value of the assets acquired. The Company determined that only one asset was acquired: the Cerro Prieto and Esperanza mining concession.

g) Valuation of Inventory
In determining mine production costs recognized in the Consolidated Statement of Loss and Comprehensive Loss, the Company makes estimates of quantities of ore stacked in stockpiles, placed on the heap leach pad and in process and the recoverable gold in this material to determine the average costs of finished goods sold during the period. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories.

OTHER MD&A REQUIREMENTS

Goldgroup's business of exploring, developing and mining mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and any investment in Goldgroup's common shares should be considered speculative.

Additional information relating to the Company, including the AIF is available on the SEDAR website at www.sedarplus.com and on the Company's website at www.goldgroupmining.com.

The Board of Directors of Goldgroup has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it from the Company.

Compliance with NI 43-101

As required by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), Goldgroup has filed technical reports detailing the technical information related to its material mineral properties discussed herein. For the purposes of NI 43-101, the Company's material mineral properties, the San José de Gracia project, the Cerro Colorado mine and the Cerro Prieto project. Unless otherwise indicated, Goldgroup has prepared the technical information in this MD&A ("Technical Information") based on information contained in the technical reports, news releases and other public filings (collectively, the "Disclosure Documents") available under the Company's profile on SEDAR. Each Disclosure Document was prepared by or under the supervision of a qualified person as defined in NI 43-101. For readers to fully understand the information in this MD&A, they should read the Disclosure Documents in their entirety, including all qualifications, assumptions and exclusions that relate to the information set out in this MD&A which qualifies the Technical Information. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Scientific and technical information relating to Cerro Prieto operating results presented above has been approved by Craig Gibson, Ph.D., CPG, who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101, and he is Independent of the issuer applying all of the tests in Section 1.5 of NI 43-101CP.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining internal controls over financial reporting ("ICFR") to provide reasonable assurance in respect to the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Controls and Procedures:

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Non-IFRS Financial Measures

Cash Costs

The Company's MD&A often refers to cash costs per ounce, a non-IFRS performance measure in order to provide investors with information about the measure used by management to monitor performance. This information is used to assess how well the producing gold mine is performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. "Cash cost" figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital, exploration and development costs. These costs are then divided by ounces of gold sold to arrive at the total cash costs per ounce of gold sold. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations.

These gold cash costs differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.

The following table provides a reconciliation between non IFRS adjusted cash costs to cost of good sold (IFRS):

Cerro Prieot and Esperanza Extension - cash cost calculation	**Three months ended March 31, 2024**	**Three months ended March 31, 2023**
Total cost of goods sold ('000)	$ 4,891	$ -
Add (subtract)		
Inventory adjustment ('000)	$ 189	$ -
Total cash cost of production ('000)	**$ 5,080**	**$ -**
Gold ounces – produced	3,044	-
Total cash cost of production per ounce	**$ 1,669**	**$ -**
All-in sustaining cost of production per ounce	**$ 1,669**	**$ -**
Add (subtract)		
Corporate administration ('000)*	$ 1,022	$ -
Total all-in cost ('000)	**$ 6,102**	**$ -**
Gold ounces – produced	3,044	-
All-in cost (per ounce)	**$ 2,044**	**$ -**

Cash cost calculation Puma	**Three months ended March 31, 2024**	**Three months ended March 31, 2023**
Capitalized production costs	$ -	$ 6,087
Gold ounces – produced	-	4,231
Total cash cost of production per ounce	**$ -**	**$ 1,439**
All-in sustaining cost of production per ounce	**$ -**	**$ 1,439**
Add (subtract)		
Corporate administration ('000)*	$ -	$ 599
Total all-in cost ('000)	**$ -**	**$ 6,686**
Gold ounces – produced	-	4,231
All-in cost (per ounce)	**$ -**	**$ 1,580**

*Corporate administration is allocated between Cerro Prieto, Esperanza and Puma and excludes non-cash items such as corporate depreciation and stock-based compensation.

Risks and Uncertainties

Exploration, development and mining of metals involve numerous inherent risks. As such, the Company is subject to various financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Such risk factors could materially affect the value of the Company's assets and future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

An investment in the securities of the Company should be considered speculative due, generally, to the nature of the business in which the Company is engaged, the limited extent of the Company's assets, the Company's state of development and the degree of its reliance upon the expertise of management.

The list of risk factors below should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities.

Lack of Operation Profit

There is no guarantee that the Company will enter into profitable agreements with mining companies and earn profit from operations.

The Company has not paid any dividends and it is unlikely to earn income or pay dividends in the immediate or foreseeable future. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities.

Goldgroup's expected operating costs and expenditures, economic returns and other projections from a mining project which are contained in this document and in any technical reports or other studies prepared for or by Goldgroup are based on assumed or estimated future metals prices, cut-off grades, operating costs, capital costs, and expenditures and other factors that each may prove to be inaccurate. Therefore, such studies and reports may prove to be unreliable.

For example, significant declines in market prices for base and precious metals or extended periods of inflation would have an adverse effect on any economic projections. In addition, any material reductions in estimates of mineralization or increases in capital costs and expenditures, or in Goldgroup's ability to maintain a projected budget or renew a particular mining permit, could also have a material adverse effect on projected production schedules and economic returns, as well as on Goldgroup's overall results of operations or financial condition. There is also a risk that rising costs for labour and material could have an adverse impact on forecasted construction costs and that shortages of labour and material could have a negative impact on any mine development schedule.

Goldgroup's operating costs are affected by the cost of commodities and goods such as steel, fuel, electrical power and supplies, including tires and reagents. Management of Goldgroup prepares its cost and production guidance and other forecasts based on its review of current and estimated future costs, and management assumes that the materials and supplies required for operations will be available for purchase. An increase in any of these costs, or a lack of availability of commodities and goods, may have an adverse impact on Goldgroup's financial condition.

Market Price of the Common Shares

The Common Shares are listed and posted for trading on the TSX-V and OTC. There can be no assurance that an active trading market in the Company's securities will be established and maintained. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares is also likely to be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations as reflected in its quarterly earnings reports.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, mining and development opportunities in the resource industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

The Company may not realize the benefits of its growth projects

As part of its strategy, the Company will continue existing efforts and initiate new efforts to develop new mineral projects. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, operating, technical, and technological risks, and uncertainties relating to capital and other costs, and financing risks. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Company's financial position and results of operations.

Current Global Financial Conditions

Events over the last number of years in global financial markets have had a profound impact on the global economy and global financial conditions have been subject to volatility. Many industries, including the mining sector, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continuing slowdown in financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's business, financial condition, results of operations and ability to grow.

Financing Risk

The Company has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or infinite postponement of further exploration and development of its projects with the possible loss of such properties.

Regulatory Competition

The mineral exploration and development industry is highly competitive. The Company competes with other domestic and international mineral exploration companies that have greater financial, human and technical resources. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and gain significant market share to the Company's detriment. The Company may also encounter increasing competition from other mining companies in the Company's efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable properties or prospects for mineral exploration in the future. As a result of this competition, the Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its investment capital.

Risks related to International Activities

The Company conducts business in Canada and Mexico with a material portion of the business being conducted in Mexico. The Company's international operations may be adversely affected by political or economic developments or social instability, which will not be within the Company's control, including, among other things, the risks of political unrest, labour disputes and unrest, war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions, contracts and permits, government regulation, delays in obtaining or renewing or the inability to obtain or renew necessary permits, taxation policies, economic sanctions, fluctuating exchange rates, currency controls, high rates of inflation, limitations on foreign ownership and increased financing costs. The occurrence of any such events could have a material adverse effect on the Company's business and results of operations as currently contemplated.

It may also be difficult for the Company to find and hire qualified people in the mining industry who are situated in Mexico or to obtain all of the necessary services or expertise in Mexico or to conduct operations on the Company's projects at reasonable rates. If qualified people and services or expertise cannot be obtained, the Company may need to seek and obtain those services from people located outside of these areas, which will require work permits and compliance with applicable laws and could result in delays and higher costs to conduct the Company's operations.

Corruption and Bribery Risk

The Company's operations are governed by, and involve interactions with, many levels of government. Like most companies, the Company is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act*. In recent years, there has been a general increase in both the frequency of enforcement and severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. Although the Company takes steps to mitigate such risks, such measures are not always effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of operations.

Risks Associated with Joint Venture Agreements

Pursuant to agreements the Company may enter into in the course of its business, the Company's interest in its properties may become subject to the risks normally associated with the conduct of joint ventures. In the event that any of the Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

Reliance on Key Individuals

The Company's success depends on its ability to attract and retain the services of key personnel who are qualified and experienced. In particular, the success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the Company's directors and senior management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of these individuals could have a material adverse effect on the Company.

The resource industry is largely driven by fluctuations in commodity prices which, when high, can lead to a large number of projects being developed which in turn increases the demand for skilled personnel, contractors, material and supplies. Accordingly, there is a risk to the Company of losing or being unable to secure enough suitable key personnel or key resources and, as a result, being exposed to increased capital and operating costs and delays, which may in turn adversely affect the development of the Company's projects, the results of operations and the Company's financial condition and prospectus.

Commodity Prices

The price of the Common Shares and the Company’s financial results may be significantly adversely affected by a decline in the price of metals. The price of metal commodities fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company’s control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metal-producing countries throughout the world.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Company’s board of directors after taking into account many factors, including the Company’s operating results, financial condition and current and anticipated cash needs.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. Any potential mining operations of the Company will be subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, fire, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Although the Company believes that appropriate precautions to minimize risks are taken, these risks cannot be eliminated.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned or other mining operations in which the Company may acquire an interest will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including among other things: the interpretation of geological data obtained from drill holes and other sampling techniques, the particular attributes of the deposit, such as size, grade and proximity to infrastructure and labour; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The Company's development projects are also subject to the issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may adversely affect the Company's business.

Costs

The estimates of costs to conduct further exploration and development work by the Company are based on certain assumptions with respect to the method and timing of the work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

Environmental Regulation, Risks and Hazards

All phases of mining operations are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including obtaining additional permits, and may cause material changes or delays in, or the cancellation of, the Company's exploration programs or current operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's mining operations.

Furthermore, environmental hazards may exist on the properties on which the owners or operators of mining operations hold interests which are unknown to such owners or operators at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be, required in connection with mining operations at the Company’s properties. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The occurrence of any environmental violation or enforcement action may have an adverse impact on the Company's operations and reputation.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on mining operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Governmental Regulation

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating, and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities in the future.

Our operations are governed by, and involve interactions with, many levels of government in countries with a history of corruption. Like most companies, we are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the frequency of enforcement and severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. It is our policy to implement safeguards to discourage these practices by employees and our consultants. However, our existing safeguards and any future improvements may prove to be less than effective, and our employees and consultants may have engaged or may engage in conduct for which we might be held responsible. Violations of such laws may result in criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition.

Permitting

Mining operations are subject to receiving and maintaining permits from appropriate governmental authorities. It can be time-consuming and costly to obtain, maintain and renew permits. In addition, permit terms and conditions can impose restrictions on how the Company conducts its operations and limit the Company's flexibility in development of its mineral properties. Prior to any development on the Company’s properties, permits from appropriate governmental authorities may be required. Permits required for the Company's operations may not be issued, maintained or renewed in a timely fashion or at all, may not be issued or renewed upon conditions that restrict the Company's ability to conduct the Company's operations economically, or may be subsequently revoke. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions could have a material adverse effect on the Company's business, results of operations, financial condition and prospectus.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Goldgroup is in the process of applying for or renewing permits and licences relating to its operations in Mexico. The Company cannot be certain that it will receive the necessary permits and licences at all, or on acceptable terms required to conduct further exploration and to develop its properties and bring them into production. Government approvals and approvals of members of the surrounding communities and permits and licences are currently, and will in the future be, required in connection with the operations of the Company. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration, development or production activities. The failure to obtain such permits or licences, or delays in obtaining such permits or licences, could increase the Company’s costs and delay its activities, and could adversely affect the properties, business or operations of the Company.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at the Company’s properties.

Exploration and Geological Report

The reported results in the technical reports filed in respect of the Company’s properties are estimates only. No assurance can be given that the estimated mineralization will be recovered. The reported results are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Estimates may require revision (either up or down) based on actual production experience. If the Company encounters mineralization or geological formations different from those predicted by past drilling, sampling and interpretations, any estimates may need to be altered in a way that could adversely affect the Company's operations or proposed operations. In addition, market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain minerals uneconomic.

Land Title

No assurances can be given that there are no title defects affecting the Company’s properties. The Company’s properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects.

A mineral concession in Mexico does not confer any ownership of surface rights. The majority of Goldgroup’s mineral properties are located in relatively uninhabited areas. There are currently no areas of interest to Goldgroup within its mineral concession that are overlain by significant habitation or industrial users, however there are potential overlapping surface usage issues in some areas. Some surface rights may be owned by local communities or “Ejidos” or by private ranching or residential interests. Goldgroup will require additional surface rights to exploit all resources on its properties. Accordingly, Goldgroup will need to negotiate agreements with private landowners for access and any potential development or exploitation rights. There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms or at all, which could materially and adversely affect the business of Goldgroup.

Commodity Price Fluctuations

The price of metals has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Company’s properties to be impracticable. Future cash flows may not be sufficient and the Company could be forced to discontinue production and may be forced to sell the properties. Future production by the Company is dependent on metal prices that are adequate to make this property economic.

In addition to adversely affecting the commercial production estimates and financial conditions, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Additional Capital

Mining, processing, development and exploration may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

Foreign Exchange Rate Fluctuations

Operations in Mexico and Canada are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issuances which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in United States dollar, and Mexico pesos. The Company may suffer losses due to adverse foreign currency fluctuations.

Property Exploration and Development Risk

Some of the Company’s properties are currently at the exploration stage of development. Exploration and development is subject to numerous risks, including, but not limited to, delays in obtaining equipment, material and services essential to developing the project in a timely manner; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the Company will have the financial, technical and operational resources to complete the exploration and development in accordance with current expectations or at all.

Insurance Risk

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failure, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods and earthquakes. Such occurrences could result in damage, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or other companies in the mining industry on acceptable terms. The Company may also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on our financial performance and results of operations.

Force Majeure

The Company's projects now or in future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Mining Without a Pre-Feasibility Study

Company has chosen to advance the newly discovered mineralization into production without the benefit of completing a feasibility study demonstrating economic and technical viability or, an independent technical report confirming resources. Accordingly, readers should be cautioned that the Company’s production decision has been made without a comprehensive feasibility study of established reserves or resources such that there is greater risk and uncertainty as to future economic results from the Cerro Prieto Mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision.

COVID-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business at this time.

Readers of this MD&A should carefully consider the detailed risks set out under the heading “Risk Factors” in the AIF.

Cautionary Statement on Forward-Looking Information

This MD&A contains “forward-looking information” (within the meaning of applicable Canadian securities law) and “forward-looking statements” (within the meaning of the United States Private Securities Litigation Reform Act of 1995) concerning Goldgroup’s plans at its mineral properties and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “is expected”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, and are developed based on assumptions about such risks, uncertainties and other factors set out herein including, without limitation:

- uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from Goldgroup’s projects;
- uncertainties associated with development activities;
- uncertainties inherent in the estimation of mineral resources and precious metal recoveries;
- risks related to obtaining appropriate permits and licences to explore, develop, operate and produce at the Company’s projects;
- uncertainties related to current global economic conditions;
- fluctuations in precious and base metal prices;
- uncertainties related to the availability of future financing;
- potential difficulties with joint venture partners;
- risks that Goldgroup’s title to its property could be challenged;
- political and country risk;
- risks associated with Goldgroup being subject to government regulation;
- risks associated with having adequate surface rights for operations;
- environmental risks;
- Goldgroup’s need to attract and retain qualified personnel;
- risks associated with operating hazards at the Cerro Colorado Mine;
- risks associated with potential conflicts of interest;
- Goldgroup’s lack of experience in overseeing the construction of a mining project;
- risks related to the integration of businesses and assets acquired by Goldgroup;
- uncertainties related to the competitiveness of the mining industry;
- risk associated with theft;
- risk of water shortages and risks associated with competition for water;
- uninsured risks and inadequate insurance coverage;
- risks associated with potential legal proceedings;
- risks associated with community relations;
- outside contractor risks;
- risks related to archaeological sites;
- foreign currency risks;
- risks associated with security and human rights; and
- risks related to the need for reclamation activities on Goldgroup’s properties.
- risks and uncertainty related to COVID-19

This list is not exhaustive of the factors that may affect the Company’s forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. Investors should carefully consider the risks discussed in this MD&A as well as those set out under the heading “Risk Factors” in the AIF.

Cautionary Note to U.S. Investors Concerning Estimates of Mineral Resources and Mineral Reserves

The disclosure in this MD&A uses mineral resource and mineral reserve classification terms that comply with reporting standards in Canada, and, unless otherwise indicated, all mineral resource and mineral reserve estimates included in this MD&A have been prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the disclosure requirements of the United States Securities and Exchange Commission (the "SEC") set forth in Industry Guide 7. Consequently, mineral resource and mineral reserve information contained in this MD&A is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

In particular, the SEC's Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Accordingly, mineral reserve estimates contained in this MD&A may not qualify as "reserves" under SEC standards.

In addition, this MD&A uses the terms "measured mineral resources," "indicated mineral resources" and "inferred mineral resources" to comply with the reporting standards in Canada. The SEC's Industry Guide 7 does not recognize mineral resources and U.S. companies are generally not permitted to disclose resources in documents they file with the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into SEC defined mineral "reserves." Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred mineral resource exists. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in rare cases. In addition, disclosure of "contained ounces" in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. For the above reasons, information contained in this MD&A containing descriptions of our mineral resource and mineral reserve estimates is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.