



Goldgroup Mining Inc.

Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024 and 2023
(Unaudited)
(expressed in thousands of US dollars, except where indicated)

Goldgroup Mining Inc.

Condensed Interim Consolidated Statements of Financial Position

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

	Note	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash		\$ 686	\$ 292
Other receivables and prepaid expenses	4	1,135	1,822
Inventory	6	3,168	3,004
		4,989	5,118
Receivables	4	1,325	1,674
Property, plant and equipment	7	1,522	1,883
Right of use asset	12	48	85
Mineral property	9	537	240
Exploration and evaluation property	10	-	419
Total assets		\$ 8,421	\$ 9,419
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 11,942	\$ 13,469
Current lease liabilities	12	17	56
Convertible debenture	11	95	-
		12,054	13,525
Warrant liability	13	2	11
Loan payable	11	-	100
Lease liabilities	12	21	26
Decommissioning obligation		2,202	2,126
Total liabilities		14,279	15,788
Shareholders' deficiency			
Share capital	14	137,944	137,944
Contingent share consideration	19	3,305	3,305
Reserves		8,592	8,519
Deficit		(155,699)	(156,137)
Total shareholders' deficiency		(5,858)	(6,369)
Total liabilities and shareholders' deficiency		\$ 8,421	\$ 9,419

Nature of operations and going concern (note 1)

Commitments (note 19)

Subsequent event (note 21)

Approved by the Board of Directors

"Roberto Guzman"

Director

"Corry Silbernagel"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Goldgroup Mining Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and six months ended June 30, 2024 and 2023

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Revenue					
Gold sales		\$ 7,012	\$ 1,314	\$ 12,775	\$ 1,314
Silver sales		79	12	156	12
		7,091	1,326	12,931	1,326
Cost of operation					
Cost of sales	16	(5,364)	(548)	(10,255)	(548)
Depreciation and depletion		(303)	(70)	(570)	(70)
		1,424	708	2,106	708
Depreciation	12	(19)	(18)	(37)	(36)
Share-based compensation	14,15	(27)	(2)	(69)	(2)
General and administrative		(380)	(327)	(863)	(560)
Salary and consulting	15	(134)	(174)	(280)	(346)
Professional fees	15	(230)	(443)	(623)	(637)
Impairment of exploration and evaluation property	10	-	(4,955)	-	(4,955)
Finance cost	17	(46)	(110)	(89)	(221)
Unrealized derivative gain (loss) – warrant liability	13	-	53	9	75
Foreign exchange gain		76	(10)	163	(152)
Other income		39	86	140	218
Income (loss) before income taxes		703	(5,192)	457	(5,908)
Income taxes (expense) recovery – current		7	109	(19)	(17)
Income (loss) and comprehensive loss		710	(5,083)	438	(5,925)
Loss per share – Basic and diluted		\$ 0.01	\$ (0.18)	\$ 0.01	\$ (0.21)
Weighted average shares outstanding (000's)					
Basic		82,744	28,624	82,744	28,215
Diluted		82,744	28,624	82,744	28,215
Total shares issued and outstanding (000's)		82,744	28,624	82,744	28,624

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Goldgroup Mining Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three and six months ended June 30, 2024 and 2023

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Cash flows provided (used) by operating activities					
Income (loss) for the period		\$ 710	\$ (5,083)	\$ 438	\$ (5,925)
Items not affecting cash					
Depreciation	7,12	213	33	358	51
Depletion		77	28	122	28
Share-based compensation	14	27	2	69	2
Finance cost - decommissioning obligation	17	38	22	77	43
Unrealized foreign exchange gain (loss)		(3)	(2)	5	(2)
Finance cost – interest and amortization of transaction costs	17	3	83	4	169
Unrealized derivative gain (loss) – warrant liability	13	-	(53)	(9)	(75)
Impairment of exploration and evaluation property	10	-	4,955	-	4,955
Finance cost - accretion on lease liability	17	3	5	5	9
Change in non-cash operating working capital					
Decrease (increase) in other receivables and prepaid expenses		815	(366)	1,036	(927)
Decrease (increase) in inventory		(16)	(655)	(134)	(487)
Increase (decrease) in tax payable		-	-	-	-
Increase (decrease) in accounts payable and accrued liabilities		(1,512)	1,847	(1,524)	629
		355	816	447	(1,530)
Cash flows provided (used) by financing activities					
Transaction costs on convertible debt	11	-	-	(4)	-
Share issuance costs	14	-	-	-	(8)
Lease payments	12	(24)	(26)	(49)	(49)
		(24)	(26)	(53)	(57)
Cash flows provided (used) in investing activities					
Purchase of property, plant and equipment	9	-	-	-	(1)
Proceeds on sale of investments		-	-	-	-
Recovery from exploration property sales	10	-	4,874	-	13,008
Exploration and evaluation property		-	(5,822)	-	(11,276)
		-	(948)	-	1,731
Increase (decrease) in cash and cash equivalents		331	(158)	394	144
Cash and cash equivalents – beginning of period		355	761	292	459
Cash – end of period		\$ 686	\$ 603	\$ 686	\$ 603

Supplemental cash flow information (note 21)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Goldgroup Mining Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders' Deficiency

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

	Notes	Shares (‘000)	Share capital	Contingent shares (Note 20)	Share based compensation reserves	Equity portion of convertible debt	Foreign currency translation reserves	Subscription proceeds received in advance	Deficit	Total equity
January 1, 2024		82,744	\$ 137,944	\$ 3,305	\$ 8,827	\$ -	\$ (308)	\$ -	\$ (156,137)	\$ (6,369)
Loss for the period		-	-	-	-	-	-	-	438	438
Equity portion of convertible debt	11	-	-	-	-	4	-	-	-	4
Share-based compensation	14	-	-	-	69	-	-	-	-	69
Balance at June 30, 2024		82,744	\$ 137,944	\$ 3,305	\$ 8,896	\$ 4	\$ (308)	\$ -	\$ (155,699)	\$ (5,858)
January 1, 2023		22,924	\$ 134,651	\$ 3,305	\$ 8,752	\$ -	\$ (308)	\$ 425	\$ (149,391)	\$ (2,566)
Loss for the period		-	-	-	-	-	-	-	(5,925)	(5,925)
Private placement	14	5,700	425	-	-	-	-	(425)	-	-
Share issuance costs	14	-	(8)	-	-	-	-	-	-	(8)
Share-based compensation	14	-	-	-	2	-	-	-	-	2
Issuance of convertible debt	11	-	-	-	-	63	-	-	-	63
Balance at June 30, 2023		28,624	\$ 135,068	\$ 3,305	\$ 8,754	\$ 63	\$ (308)	\$ -	\$ (155,316)	\$ (8,434)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Goldgroup Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the period ended June 30, 2024 and 2023

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

1 Nature of operations and Going Concern

Nature of operations

Goldgroup Mining Inc. is the parent company of its consolidated group ("Goldgroup" or the "Company"). Goldgroup was incorporated in Quebec under the Business Corporations Act (Québec) and on July 28, 2011 it was continued under the Business Corporations Act (British Columbia). Its head office is located at Suite 1201 – 1166 Alberni Street, Vancouver BC, V6E 3Z3. Goldgroup together with its subsidiaries, is a Canadian-based gold producer and is focused on the acquisition, exploration and development of advanced stage gold-bearing mineral properties in the Americas. The Company's current gold production and exploration and development related activities are conducted in Mexico. Goldgroup owns a 100% interest in the operating Cerro Prieto project in Sonora. On February 20, 2024, the Company transitioned to the Toronto Venture Exchange ("TSX-V") from the Toronto Stock Exchange ("TSX") under the symbol "GGA".

Going Concern

The Company has experienced recurring operating losses and has an accumulated deficit of \$155,699 at June 30, 2024. In addition, as at June 30, 2024, the Company has working capital deficiency of \$7,065. 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 DynaResource, Inc. ("DynaUSA") (note 8). These matters result in material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. These unaudited condensed interim consolidated 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 these unaudited condensed interim consolidated 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.

2 Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

The accounting policies applied in these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on August 29, 2024.

3 Estimates, risks and uncertainties

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

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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:

(i) Impairment of assets

The carrying value of property, plant and equipment, exploration and evaluation property and the Company's mineral property 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.

(ii) 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.

(iii) 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:

(i) Mineral resource 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.

(ii) 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.

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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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 two assets were acquired: the Cerro Prieto and Esperanza mining concession.

(vii) Valuation of inventory

Expenditures incurred, and depreciation and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or net realizable value ("NRV"). Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation and depletion relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from

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the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing), by comparing the grades of ore placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is completed.

The allocation of costs to ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Current assets include receivables which are reviewed for collectability that may be affected by default, delays and other economic indicators.

4 Other receivables and prepaid expenses

	June 30, 2024	December 31, 2023
Current asset		
Financial assets		
Other receivables	\$ 142	\$ 153
Employee receivables	71	61
Non-Financial assets		
Value-added tax receivables	364	1,286
Corporate tax receivables	17	38
Total receivables	594	1,538
Prepaid expenses	541	284
	\$ 1,135	\$ 1,822
Non-current assets		
Non-Financial assets		
Other receivables	1,325	1,674
	\$ 1,325	\$ 1,674

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Notes to Condensed Interim Consolidated Financial Statements

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(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

5 Financial instruments

Fair values of financial instruments

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

	Fair Value Hierarchy Level	June 30, 2024	December 31, 2023
Financial assets			
<i>Amortized cost</i>			
Cash ⁽¹⁾	N/A	\$ 686	\$ 292
Receivables ⁽¹⁾	N/A	213	214
Financial liabilities			
<i>Other financial liabilities</i>			
Accounts payable & accrued liabilities ⁽¹⁾	N/A	11,942	13,469
Loan payable ⁽³⁾	N/A	-	100
Convertible debt	N/A	95	-
Lease liabilities	N/A	38	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 as described in note 13.

(3) Loan 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 are held through large Canadian financial institutions. Receivables are primarily due from government agencies.

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 note 20. The accounts payable and accrued liabilities, and tax 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.

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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 June 30, 2024 are denominated in United States Dollars, Canadian Dollars, and Mexican Pesos, and are set out in the following table:

	Canadian Dollars	US Dollars	Mexico Pesos	Total
Financial assets				
Cash and cash equivalents	\$ 8	\$ 676	\$ 2	\$ 686
Receivables - other	-	213	-	213
	8	889	2	899
Financial liabilities				
Accounts payable and accrued liabilities	(206)	(8,276)	(3,460)	(11,942)
Convertible debenture	-	(95)	-	(95)
Lease liabilities	(38)	-	-	(38)
Warrant liability	(2)	-	-	(2)
Net financial (liabilities) assets	\$ (238)	\$ (7,482)	\$ (3,458)	\$ (11,178)

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:

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(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

	Canadian Dollars	US Dollars	Mexican 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)
Loans payable	-	(100)	-	(100)
Lease liabilities	(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 June 30, 2024, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial assets by approximately \$23 (December 31, 2023 -\$32). 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 \$346 (December 31, 2023 -\$445) 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.

June 30, 2024	Current – within 1 year	Non- current – 1 to 3 years
Accounts payable and accrued liabilities	\$ 11,942	\$ -
Convertible debenture	95	-
Lease liabilities	17	21
	\$ 12,054	\$ 21
December 31, 2023	Current - within 1 year	Non- current – 1 to 3 years
Accounts payable and accrued liabilities	\$ 13,469	\$ -
Loan payable	-	100
Lease liabilities	56	26
	\$ 13,525	\$ 126

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6 Inventory

	June 30, 2024	December 31, 2023
Consumable supplies	\$ 672	\$ 637
Finished goods	-	-
Work in progress	700	2,367
Stockpile	1,796	-
	\$ 3,168	\$ 3,004

Cost of sales represents the amount of product inventory recognized as an expense. All of the Company's inventory on hand are located at the Cerro Prieto mine in Mexico. As at June 30, 2024 \$nil (2023 - \$254) impairment was recorded in inventory.

7 Property, plant and equipment

	Cost December 31, 2022	Additions	Disposals	December 31, 2023	Additions	Disposals	June 30, 2024
Plant and mining equipment	\$ 12,676	\$ 108	\$ -	\$ 12,784	\$ -	\$ -	\$ 12,784
Machinery	2,865	-	-	2,865	-	-	2,865
Office and furniture	263	1	-	264	-	-	264
Vehicles	936	-	-	936	-	-	936
Lab equipment	97	-	-	97	-	-	97
	\$ 16,837	\$ 109	\$ -	\$ 16,946	\$ -	\$ -	\$ 16,946

	Accumulated Depreciation December 31, 2022	Depreciation	Disposals	December 31, 2023	Depreciation	Disposals	June 30, 2024
Plant and mining Equipment	\$ 10,486	\$ 593	\$ -	\$ 11,079	\$ 309	\$ -	\$ 11,388
Machinery	2,700	61	-	2,761	27	-	2,788
Office and furniture	262	2	-	264	-	-	264
Vehicles	821	47	-	868	21	-	889
Lab equipment	86	5	-	91	4	-	95
	\$ 14,355	\$ 708	\$ -	\$ 15,063	\$ 361	\$ -	\$ 15,424

Depreciation on property, plant and equipment for the period ended June 30, 2024 is \$361 (2023 - \$320) of which \$332 (2023 - \$15) is recorded as a cost of the mine and \$nil (2023 - \$289) was recorded in exploration and evaluation assets, \$29 (2023 - \$16) is included in inventory.

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Carrying amount	June 30, 2024	December 31, 2023
Plant and mining equipment	\$ 1,396	\$ 1,705
Machinery	77	104
Vehicles	47	68
Lab equipment	2	6
	\$ 1,522	\$ 1,883

8 Investments in associate - DynaMexico

On September 1, 2006, the Company entered into an Earn in/Option Agreement (“the Agreement”) with DynaResource de Mexico S.A. de C.V. (“DynaMexico”) and its parent company, DynaResource, Inc. (“DynaUSA”). Under the Agreement, the Company had the right to earn up to a 50% equity interest in DynaMexico by funding up to \$18 million in exploration and development expenditures on the San Jose de Gracia property (“SJG”). On March 14, 2011, the Company completed its Earn in/Option Agreement with DynaMexico for its 50% equity interest by reaching the expenditure funding requirement of \$18 million. Subsequent to this date there have been legal claims filed in Mexico and the United States which resulted in the foreclosure of the Company’s share ownership.

On October 13, 2015, the Company was made aware of a news release disseminated by DynaMexico which claimed DynaMexico was awarded a \$48 million judgement against the Company’s subsidiary Goldgroup Resources Inc. The Company’s position in response to the \$48 million claim is that the Company 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 \$48 million claim and on February 20, 2020 a Mexico City court issued a judgment in favour of DynaMexico.

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 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 received Mexico’s Counter-Memorial on June 19, 2024. The Company is seeking damages as a result of Mexico’s breaches of NAFTA.

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9 Mineral property

Mineral property	Cerro Prieto	Esperanza Extension	Total
Opening, January 1, 2023	\$ 788	\$ -	\$ 788
Depletion	(252)	-	(252)
Disposition	(536)	-	(536)
Balance, October 6, 2023	-	-	-
Acquisition	316	-	316
Depletion	(100)	-	(100)
Change in decommissioning obligation	24	-	24
Balance, December 31, 2023	240	-	240
Transfer from exploration and evaluation asset (note 10)	-	419	419
Depletion	(73)	(49)	(122)
Balance, June 30, 2024	167	370	537

The Company's mining concessions have an existing 2% net smelter royalty ("NSR").

On July 1, 2023, the Company entered into a settlement agreement ("Settlement Agreement") with Minera Cerro Esperanza S.A de C.V. ("MER") who acquired the Company's loan it had outstanding to Accendo Banco S.A., Multiple Banking Institution ("Accendo") (note 11). As part of the Settlement Agreement, the Company transferred all of the Minas de Oroco concessions to MER in satisfaction of the Accendo loan and entered into an Exploitation and Option to Purchase Agreement with MER, which provided the Company with the right to continue to operate the Minas de Oroco mine in exchange for a 2% NSR and provided that the Company will have the option to repurchase the assets for a payment of \$1,838 in cash or common shares of the Company an initial term of thirty (30) years and shall automatically renew for additional thirty (30) year periods not to exceed 99 years.

On October 6, 2023, the Company transferred the Cerro Prieto concessions and settled the outstanding Accendo facility.

Summary of Accendo settlement

Accendo settlement	December 31, 2023
Mineral property transfer	\$ (536)
Exploration and evaluation asset transfer (note 10)	(1,296)
Extinguishment of Accendo loan (note 11)	1,838
Gain on settlement of debt	\$ 6

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Summary of purchase consideration

On October 17, 2023, the Company exercised its option to purchase all of the issued and outstanding common shares of MER and elected to settle the full option price of \$1,838 in common shares of the Company and issued 25,067,500 common shares. Management determined that the purchase represented an acquisition of assets rather than a business combination and has accounted for the transaction under IFRS 2. The allocation of the purchase consideration to each component is based on the relative fair value of the assets acquired. The Company determined that two assets were acquired: the Cerro Prieto and Esperanza mining concession.

	December 31, 2023
Common shares – 25,067,500 at CAD \$0.04	\$ 735
Attributable to concessions	\$ 735

The net assets acquired were:

	December 31, 2023
Mineral property	\$ 316
Exploration and evaluation asset (note 10)	419
Attributable to concessions	\$ 735

During the period ended June 30, 2024, the Company started ore extraction from the Esperanza extension and determined that Esperanza was in the condition necessary for it to be capable of operating in the manner intended by management and therefore transferred the carrying amount from evaluation and exploration assets to mineral property.

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10 Exploration and evaluation asset

During the year ended December 31, 2021, the Company identified a new resource area called the Puma extension. This extension was recognized as an exploration and evaluation asset until the Company defines the resource, completes a technical feasibility and commercial viability assessment on the area and transitions the property to mineral properties. During the fourth quarter of the year ended December 31, 2022, the Company started production from this area and all sales and expenses from production were capitalized until the property is no longer classified as an exploration and evaluation asset.

Puma extension	June 30, 2024	December 31, 2023
Opening	\$ -	\$ 7,518
Mining	-	9,273
Crushing	-	1,874
Plant and laboratory	-	851
Mine administration	-	930
Machine maintenance	-	109
Royalty	-	217
Exploration and other	-	606
Depreciation	-	371
Impairment	-	(4,955)
Increase (decrease) in decommissioning obligation	-	33
Gold and silver sales (pre-production)	-	(15,531)
Disposition (note 9)	-	(1,296)
	\$ -	\$ -

During the year ended December 31, 2023, the Company recorded an impairment of \$4,955 (2022 - \$nil) on the exploration and evaluation asset which represents the settlement value of the Accendo loan (note 11). As part of the agreement, the Company would still be responsible for the asset retirement obligation and original NSR related to the concessions.

During the year ended December 31, 2023, as part of the purchase price allocation (note 9) the Company identified a new resource area called the Esperanza extension. During the period ended June 30, 2024, the Company started ore extraction from the Esperanza extension and determined that Esperanza was in the condition necessary for it to be capable of operating in the manner intended by management and therefore transferred the carrying amount to mineral property.

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Carrying amount	Esperanza extension
Opening balance, January 1, 2023	\$ -
Acquisition	419
Ending balance, December 31, 2023	\$ 419
Transfer to mineral property (note 9)	(419)
Ending balance, June 30, 2024	\$ -

11 Loan and advance payable

During the year ended December 31, 2020, the Company closed a facility with Accendo in the amount of \$3,000 (the "Facility"). Javier Reyes, a director of the Company, was the CEO and Chairman of Accendo at that time, although he is currently no longer associated with Accendo.

The Facility Terms

The Facility was available to draw on for 12 months, and bore interest at the rate of 12% per annum, accruing on the outstanding amount drawn under the Facility. Repayments were set to begin 15 months after the first drawdown under the Facility, and be payable in equal installments, quarterly in arrears until the final repayment date of 36 months from the date of the first drawdown. Minas de Oroco had the option to prepay without penalty any portion of the Facility, subject to 10 days' notice, payment of additional fees or costs associated with prepayment, and minimum prepayment amounts of \$200. Each disbursement under the Facility was to be requested with two days' notice, and will have a separate promissory note.

As consideration for the Facility:

- The Company paid Accendo an arrangement fee in an amount equal to 0.925% of the facility amount; and
- the Company issued Accendo a total of 750,000 common share purchase warrants exercisable to purchase one common share in the capital of the Company at a price of CAD\$0.25 for a period of 36 months. The fair value of warrants issued was calculated at \$75 and recorded as finance costs as it was determined that the loan was an extinguishment.

The Facility was secured by:

- certain assets of the Company, including the Company's Cerro Prieto project;
- guarantees by the Company and certain subsidiaries of the Company; and
- a pledge of the issued and outstanding shares of Minas de Oroco.

During the year ended December 31, 2021, the Company was made aware that the Mexican National Banking and Securities Commission notified Accendo of the revocation of its authorization to organize and operate as a multiple banking institution due to Accendo falling below the regulatory minimum levels of liquidity coverage ratio of the institution and that Accendo was being placed in liquidation. The Accendo Facility was acquired by MER from the bankruptcy proceedings and the Company settled the amount outstanding during the year ended December 31, 2023 (note 9).

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Calu Loan

On August 11, 2022, the Company entered into a loan agreement (the “Loan Agreement”) with Sail Natural Resources LP (the “Lender”) in the principal amount of \$550 (the “Loan”). The Loan bears interest at 5% per annum, was to be repaid in 11 equal monthly installments of \$50 commencing on October 10, 2022, maturing on August 10, 2023.

On December 9, 2022, the Company entered into an amending loan agreement (the “Amended Loan Agreement”) with Calu Opportunity Fund LP, previously known as Sail Natural Resources LP, (the “Lender”) in the principal amount of \$2,160 (the “Amended Loan”). This Amended Loan includes \$550 previously advanced to the Company under the Loan Agreement, which was restructured into the current Amended Loan amount. The Amended Loan is unsecured, bears interest at 6% per annum and was repayable on December 31, 2023. On June 28, 2023, the Company received shareholder approval to transition the Amended Loan into a convertible debt instrument with the face value of \$2,160 being convertible into common shares of the Company at CAD \$0.10 per share at a fixed FX rate of 1.345 USD to CAD.

The convertible debt instrument is a compound instrument which is required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model based on an estimated discount rate for equivalent debt of 12%. The initial fair value of the debt was calculated to be \$2,162 with the residual portion of \$63 allocated to the equity component. During the year ended December 31, 2023, the total convertible debt held was converted into 29,052,000 common shares of the Company.

Loan payable	June 30, 2024	December 31, 2023
Opening balance	\$ -	\$ 3,894
Interest expense	-	153
Loan advances	-	-
Transaction costs	-	-
Amortization of transaction costs	-	16
Transfer to convertible debt	-	(2,225)
MER debt settlement (note 9)	-	(1,838)
Total	\$ -	\$ -
Classified as short-term	\$ -	\$ -

Accendo facility was settled for the transfer of the Company’s Cerro Prieto concession (note 9).

Calu Convertible debenture	June 30, 2024	December 31, 2023
Opening balance	\$ -	\$ -
Addition	-	2,225
Equity portion	-	(63)
Conversion to equity (note 14)	-	(2,162)
Total	\$ -	\$ -
Classified as short-term	\$ -	\$ -

During the year ended December 31, 2023, the Company received an advance of \$100, which bears interest at 12% per annum and will be repayable on June 15, 2025. During the period ended June 30, 2024, the Company received approval to have the advance convertible into units of the Company at CAD \$0.10 per unit at a fixed FX rate of 0.76 USD to CAD at the election of the holder. Each unit will be comprised of one common share of the Company and one-half purchase warrant, with each full purchase warrant exercisable for one common share of the Company at an exercise price of CAD \$0.20 per warrant expiring June 15, 2025.

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The convertible debt instrument is a compound instrument which is required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model based on an estimated discount rate for equivalent debt of 18% and the residual portion of \$4 was allocated to the equity component.

Advances	June 30, 2024	December 31, 2023
Opening balance	\$ 100	\$ -
Advances	-	100
Equity portion	-	-
Transfer to convertible debenture	(100)	-
Total	\$ -	\$ 100

Convertible debenture	June 30, 2024	December 31, 2023
Opening balance	\$ -	\$ -
Transfer from advances	100	-
Equity portion	(4)	-
Transaction costs	(4)	-
Accretion	3	-
Total	\$ 95	\$ -

12 Right of use assets and lease liabilities

Right of use assets	June 30, 2024	December 31, 2023
Opening balance	\$ 85	\$ 147
Recognition of right of use asset	-	42
Derecognition of right of use asset	-	(38)
Less: depreciation	(37)	(66)
Total right of use assets	\$ 48	\$ 85

Lease liabilities	June 30, 2024	December 31, 2023
Opening balance	\$ 82	\$ 152
Recognition of lease liability	-	42
Derecognition of lease liability	-	(38)
Lease payments	(49)	(91)
Lease interest	5	17
	38	82
Less: current portion	(17)	(56)
Classified as long-term liabilities	\$ 21	\$ 26

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Undiscounted lease payments	June 30, 2024	December 31, 2023
Not later than a year	\$ 21	\$ 63
Later than a year	23	31
	\$ 44	\$ 94

The Company's lease relates to an office and vehicle lease. Interest expense on the lease liabilities for the period ended June 30, 2024, is \$5 (2023 - \$9). Depreciation of right-to-use assets is calculated using the straight-line method over the remaining lease term. Depreciation of equipment leases is recorded in cost of sales. During the period ended June 30, 2024, the Company incurred \$4,034 (2023 - \$5,167) for leases with variable lease payments not included in lease liabilities. The variable lease payments relate to certain equipment with consideration based on usage. During the period ended June 30, 2024, the Company received \$27 (2023 - \$27) from subleasing office space.

13 Warrant liability

	Number of warrants	Weighted average exercise price (C\$)	Warrant liability (US\$)
Balance, December 31, 2022	2,494,286	\$ 0.42	\$ 109
Warrants expired	(750,000)	0.25	-
Change in fair value	-	-	(98)
Balance, December 31, 2023	1,744,286	\$ 0.50	\$ 11
Change in fair value	-	-	(9)
Balance, June 30, 2024	1,744,286	\$ 0.50	\$ 2

Expiry date	Number of warrants	Weighted Average exercise price (C\$)
June 9, 2025	1,744,286	0.50

On June 9, 2022, the Company closed a private placement and issued 1,744,286 units at a price of \$0.35 per unit, for aggregate gross proceeds of approximately \$478 (CAD \$610). Each unit consisted of one common share of the Company and one common share purchase warrant, with each warrant exercisable to purchase one share at a price of \$0.50 per share until June 9, 2025. The fair value of warrants issued was calculated at \$368 and was determined on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 3.07% risk free interest rate, expected life of 3 years, 192% annualized volatility and 0% dividend rate.

The fair value allocated to the warrants at June 30, 2024 was \$2 (December 31, 2023 - \$11) and was recorded as a derivative financial liability as these warrants were exercisable in Canadian dollars, differing from the Company's functional currency. The unrealized gain recognized in the statements of loss and comprehensive loss for the period ended June 30, 2024 was \$9 (2023 - \$75).

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The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model. Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a Company's shares. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's warrants.

	June 30, 2024	December 31, 2023
Expected warrant life	0.94 years	1.44 years
Expected stock price volatility	127.25%	182.22%
Dividend payment during life of warrant	Nil	Nil
Expected forfeiture rate	Nil	Nil
Risk free interest rate	3.99%	3.88%
Weighted average strike price CAD	\$ 0.50	\$ 0.50
Weighted average fair value per warrant CAD	\$ 0.001206	\$ 0.0086
Weighted average share price CAD	\$ 0.04	\$ 0.03

14 Share Capital

(i) Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Fiscal 2024

No activity

Fiscal 2023

On January 16, 2023, the Company closed a private placement and issued 5,700,000 common shares at a price of CAD \$0.10 per share, for aggregate gross proceeds of approximately \$425 (CAD \$570). The Company incurred \$27 in transaction costs in relation to the private placement.

On July 28, 2023, the Company issued 29,052,000 common shares upon conversion of the outstanding convertible loan which had a face value of \$2,160 and was converted into common shares of the Company at CAD \$0.10 per share at a fixed FX rate of 1.345 USD to CAD (note 11).

On October 17, 2023, the Company issued 25,067,500 common shares upon exercising its option to purchase all of the issued and outstanding common shares of MER (note 9).

(ii) Share based compensation

The Company has adopted a share option plan for which options to acquire up to 10% of the issued share capital, at the award date, may be granted to eligible optionees from time to time. Generally, share options granted have a maximum term of five years, and a vesting period and exercise price determined by the directors. The exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed. As at June 30, 2024, the remaining share options available for issue under the plan were 415,895 (December 31, 2023 – 284,316).

Total share options granted during the period ended June 30, 2024 was nil (2023 – nil). Total share-based compensation expense recognized for the fair value of share options granted and vested during the period ended June 30, 2024 was \$69 (2023 - \$2).

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	June 30, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding - beginning of period	7,990,000	\$ 0.099	1,984,000	\$ 0.375
Granted	-	-	6,450,000	0.040
Expired/forfeited	-	-	(444,000)	0.464
Outstanding - end of period	7,990,000	\$ 0.099	7,990,000	\$ 0.099

The following table discloses the number of options and vested options outstanding as at June 30, 2024:

	Options Outstanding			Options Exercisable		
Exercise price (C\$/option)	Options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$/option)	Options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$/option)
\$0.35	815,000	1.07	\$ 0.35	815,000	1.07	\$ 0.35
\$0.35	725,000	2.49	\$ 0.35	725,000	2.49	\$ 0.35
\$0.04	6,450,000	4.34	\$ 0.04	3,225,000	4.34	\$ 0.04
Outstanding - end of year	7,990,000	3.84	\$ 0.099	4,765,000	3.5	\$ 0.14

The following table discloses the number of options and vested options outstanding as at December 31, 2023:

	Options Outstanding			Options Exercisable		
Exercise price (C\$/option)	Options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$/option)	Options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C\$/option)
\$0.35	815,000	1.57	\$ 0.35	815,000	1.57	\$ 0.35
\$0.35	725,000	2.99	\$ 0.35	725,000	2.99	\$ 0.35
\$0.04	6,450,000	4.84	\$ 0.04	1,612,500	4.84	\$ 0.04
Outstanding - end of year	7,990,000	4.34	\$ 0.10	3,152,500	4.34	\$ 0.19

15 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 are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. 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 June 30, 2024 and 2023, are as follows:

	2024	2023
Short-term employee benefits included in salary and consulting	\$ 124	\$ 66
Director's fees included in professional fess	47	57
Share-based compensation	44	11
Consulting fees included in salary and consulting	36	54
	\$ 251	\$ 188

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Short-term employee benefits include salaries incurred within the last twelve 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 June 30, 2024, accounts payable and accrued liabilities includes \$195 (December 31, 2023 - \$192) owing to a director and/or officer and/or companies controlled by the directors.

During the period ended June 30, 2024 the Company paid consulting fees totalling \$36 (2023 - \$54) 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.

16 Cost of sales

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Mining	\$ 1,335	\$ 771	\$ 4,332	\$ 771
Crushing	559	165	1,066	165
Leaching	561	-	1,103	-
Plant and laboratory	510	88	982	88
Mine administration	520	86	972	86
Machine maintenance	-	9	-	9
Royalty	102	17	178	17
Change in inventory	1,768	(641)	1,579	(641)
Other	9	53	43	53
	\$ 5,364	\$ 548	\$ 10,255	\$ 548

17 Finance cost

	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Accretion - decommissioning obligation		\$ 38	\$ 22	\$ 76	\$ 43
Interest expense	11	-	75	-	153
Interest on lease liabilities	12	2	4	5	9
Amortization of loan transaction costs	11	3	8	4	16
Other finance cost		3	-	4	-
		\$ 46	\$ 110	\$ 89	\$ 221

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18 Segmented disclosure

The Company operates in two geographical and two operating segments. The operating segments are managed separately based on the nature of operations. Mining operations consists of the Cerro Prieto project currently operational.

All of the Company's revenue is generated in Mexico. Other selected financial information by geographical segment is as follows:

	As at June 30, 2024			As at December 31, 2023		
	Canada	Mexico	Total	Canada	Mexico	Total
Assets						
Cash and cash equivalents	\$ 84	\$ 602	\$ 686	\$ 84	\$ 208	\$ 292
Other receivables and prepaid expenses	20	2,440	2,460	17	3,479	3,496
Inventory	-	3,168	3,168	-	3,004	3,004
Right of use assets	48	-	48	85	-	85
Property, plant and equipment	-	1,522	1,522	-	1,883	1,883
Mineral property	-	537	537	-	240	240
Exploration property	-	-	-	-	419	419
Liabilities						
Accounts payable and accrued liabilities	(3,214)	(8,728)	(11,942)	(3,278)	(10,191)	(13,469)
Loan payable	(95)	-	(95)	(100)	-	(100)
Warrant liability	(2)	-	(2)	(11)	-	(11)
Lease liabilities	(38)	-	(38)	(82)	-	(82)
Decommissioning obligations	-	(2,202)	(2,202)	-	(2,126)	(2,126)

Selected financial information by operating segments is as follows:

	As at June 30, 2024				As at December 31, 2023			
	Production	Exploration	Corporate	Total	Production	Exploration	Corporate	Total
Assets								
Cash and cash equivalents	\$ 602	\$ -	\$ 84	\$ 686	\$ 208	\$ -	\$ 84	\$ 292
Other receivables and prepaid expenses	2,440	-	20	2,460	3,479	-	17	3,496
Inventory	3,168	-	-	3,168	3,004	-	-	3,004
Right of use assets	-	-	48	48	-	-	85	85
Property, plant and equipment	1,522	-	-	1,522	1,883	-	-	1,883
Mineral property	537	-	-	537	240	-	-	240
Exploration property	-	-	-	-	-	419	-	419
Total assets	\$ 8,269	\$ -	\$ 152	\$ 8,421	\$ 8,814	\$ 419	\$ 186	\$ 9,419

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For the six months ended June 30, 2024

	Corporate	Mining Assets	Total
Revenue	\$ -	\$ 12,931	\$ 12,931
Income before income taxes	\$ (358)	\$ 815	\$ 457

For the three months ended June 30, 2024

	Corporate	Mining Assets	Total
Revenue	\$ -	\$ 7,091	\$ 7,091
Income before income taxes	\$ (54)	\$ 757	\$ 703

For the six months ended June 30, 2023

	Corporate	Cerro Prieto	Total
Revenue	\$ -	\$ 1,326	\$ 1,326
Income before income taxes	\$ (84)	\$ (5,824)	\$ (5,908)

For the three months ended June 30, 2023

	Corporate	Cerro Prieto	Total
Revenue	\$ -	\$ 1,326	\$ 1,326
Income before income taxes	\$ (249)	\$ (4,943)	\$ (5,192)

19 Commitments

- a. In 2011, the Company acquired the Caballo Blanco project held previously by Almaden Minerals Ltd. (“Almaden”). As part of the consideration, the Company may have to issue up to an additional 7.0 million common shares of the Company upon achievement of certain project milestones. As a result, the Company recorded a contingent share consideration of \$3,305 (December 31, 2023 - \$3,305). Subsequent to the sale of Caballo Blanco to Timmins Gold in fiscal 2014 and further sale from Timmins Gold to Candelaria Mining Corp. in 2016, the terms of these contingent shares remained unchanged. Pursuant to a plan of arrangement the right to receive shares has been transferred to Almadex Minerals Limited.
- b. The Company was entitled to receive an additional contingent consideration from the 2014 Caballo Blanco sale of \$5.0 million (“Contingent Gain”) that would become payable in cash, Timmins Gold shares, or a combination thereof (at the option of Timmins Gold, provided that the Company’s ownership in Timmins Gold will not exceed 9.9% at any time) should any of the following events occur prior to October 31, 2019:
 - The approval of the Project's Environmental Impact Statement from SEMARNAT (“Environmental Permit”); or
 - A change in beneficial ownership of Timmins Gold of greater than 50%; or
 - The removal or change, at one time, of a majority of the current members of the Timmins Gold Board of Directors

Goldgroup Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the period ended June 30, 2024 and 2023

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

During the year ended December 31, 2016, the Company sold the contingent receivable to Credipresto for cash consideration of \$1,900, which was paid upon execution and the proceeds were used to pay back the principal of the Facility and recognizing a gain on sale of \$1,900. An additional \$600 will be contingently payable to the Company by Credipresto when the owner of Caballo Blanco receives the Environmental Permit. Although the Company may become entitled to the contingent payments, the value of these payments has not been recognized in the statement of financial position as at June 30, 2024 due to the level of uncertainty surrounding the conditions required for the payments.

20 Capital management

The capital of the Company consists of items included in shareholder's equity. 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 operations, 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 June 30, 2024, the Company expects its capital resources will require additional financial 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.

21 Supplemental cash flow information

		Three months ended June 30,		Six months ended June 30,	
Supplemental cash flow information		2024	2023	2024	2023
Depreciation capitalized to exploration properties		\$ -	\$ 289	\$ -	\$ 289
Depreciation and depletion included in inventory	9	(33)	48	29	48
Equity portion of convertible debt instrument		-	63	-	63
Impairment of exploration and evaluation property		-	2,225	-	2,225

22 Subsequent event

i) On August 13, 2024 the Company entered into an agreement (the "Agreement") to acquire all of the interests owned by a group of creditors (the "Creditor Group") who own a loan facility pursuant to which various advances were made to Minera Apolo, S.A. de C.V. ("Apolo") (the "Loan Facility"). The outstanding amount under the Loan Facility is currently approximately USD \$2.7 million and the facility is secured against the assets and shares of Apolo located in San Luis Potosi, Mexico. Upon completion of the acquisition of the Loan Facility, the Company plans to commence enforcement actions and settlement discussions in respect of the outstanding amounts under the Loan Facility, with the ultimate goal being the transfer of the shares of Apolo as full or partial settlement of the Loan Facility. As a result, Goldgroup would acquire full ownership of Apolo which is the 100% owner of the fully permitted gold project located 140 kilometers east of the capital Zacatecas in the state of Zacatecas, Mexico (the "Pinos Project").

In consideration for the acquisition of the Loan Facility from the Creditor Group, the Company proposes to issue 50 million common shares pro rata to the members of the Creditor Group, pay cash consideration of \$5,000 within 18 months of the closing date of the Agreement, and pay \$1,500 in contingent consideration which is only due upon the completion of certain criteria, including a positive pre-feasibility study at the Pinos Project, the advancement of the project into commercial production, publishing an updated 43-101 with greater than 200,000 ounces of contained gold equivalent ounces for the Pinos Project, or the Company's owned interest in the Pinos Project falling to less than 51%. However, there shall be no payments made under the Agreement (other than a small cash advance, most of which is refundable) until full legal and equitable title and interest in and to the Pinos Project shall have been obtained by the Company upon enforcement of the security underlying the Loan Facility by the Company.

The completion of the transactions contemplated in this news release are subject to receipt of all necessary approvals, including approval of the TSX Venture Exchange.

Goldgroup Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the period ended June 30, 2024 and 2023

(amounts expressed in thousands of US dollars, except where indicated - Unaudited)

- ii) On August 22, 2024, the Company announced a non-brokered private placement of up to 20,000,000 units at a price of \$0.05 per unit for aggregate gross proceeds of up to approximately CAD \$1,000,000. Each unit will consist of one common share and one common share purchase warrant, with each warrant being exercisable to purchase one common share at a price of \$0.10 for 24 (twenty-four) months from the date of issuance; provided that if the closing price of the Company's common shares for a period of 10 consecutive trading days is \$0.15 or higher, the Company will have the right to accelerate the expiry date of the warrants upon notice given by press release and the warrants will thereafter expire on the 30th calendar day after the date of such press release.
- iii) Subsequent to period end June 30, 2024, the Company cancelled 815,000 options exercisable at \$0.35 expiring July 27, 2025, and 725,000 options exercisable at \$0.35 expiring on December 22, 2026.
- iv) Subsequent to period end June 30, 2024, the Company issued 1,500,000 stock options with an exercise price of \$0.075 expiring on August 27, 2026.