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**FOR IMMEDIATE RELEASE**

## **Goldgroup Hits the Highest Grade Hole To-Date at Caballo Blanco**

### **3.47 g/t Gold Over 48.50 Metres**

**April 7, 2011**

**TSX: GGA**

**Vancouver, British Columbia (April 7, 2011)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”), is pleased to announce that the current drilling program at its Caballo Blanco gold project in Veracruz, Mexico has encountered gold mineralization yielding 3.47 g/t Au over 48.50 metres (Hole 10 CBN 73). The 500 km<sup>2</sup> Caballo Blanco property hosts multiple mineralized zones comprising numerous geological targets.

Keith Piggott, President and CEO of Goldgroup, stated: “I am very excited by these results as this latest drill hole demonstrates that the mineralization at the La Paila zone extends strongly in a southerly direction. As a result, Goldgroup has decided to expand its 30,000 metre drill program at Caballo Blanco by increasing to five diamond drills.”

<b>LA PAILA ZONE</b>				
<b>Drill Hole</b>	<b>Mineralization</b>			
	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au grade (g/t)</b>
<b>10 CBN 73</b>	<b>130.00</b>	<b>178.50</b>	<b>48.50</b>	<b>3.47</b>

The hole presented above intersected mineralization well in excess of the 0.2 g/t Au cut-off grade used in estimating the inferred mineral resource presented in the current Caballo Blanco NI 43-101 technical report amended February 28, 2011. However, with current gold prices and the mineralized zone consisting of vuggy silica breccias, coupled with a potentially low strip ratio and good accessibility, Goldgroup feels that a lower cut-off grade may be more appropriate. This result is part of the current drill program that commenced in October, 2010 and is intended to be used in the preparation of an updated mineral resource estimate.

#### **About Caballo Blanco**

Goldgroup owns a 70% interest in Caballo Blanco. The remaining 30% interest is owned by Almaden Minerals Ltd. The current estimated indicated mineral resource of 139,000 ounces of gold (6.7 million tonnes grading 0.65 g/t Au) and inferred resource of 517,000 ounces of gold (27.6 million tonnes grading 0.58 g/t Au) covers only the La Paila area in the Northern Zone of Caballo. This estimate was compiled from 32 diamond drill

holes totaling approximately 7,000 meters completed by NGEx Resources Inc. prior to Goldgroup's acquisition of its interest in the project from NGEx in November 2009.

### **Assaying and Qualified Person**

After project geologists logged and marked the core, technicians cut the individual lengths with a diamond saw, then tagged the bags and secured them with security clips. The samples were then collected by Inspectorate America Corp. ("Inspectorate") and transported to their preparation facility at Durango, Mexico where they were dried and crushed to -150 mesh. The rejects remained with Inspectorate while the pulps were air couriered to Inspectorate's Richmond, BC, Canada facility and analyzed for gold by fire assay with Atomic Absorption ("AA") finish. In addition, a 30 element Inductively Coupled Plasma ("ICP") analysis (aqua regia digest) was conducted on all samples. A QA/QC program was implemented as part of the sampling procedure for the drill program. One standard, one blank or one duplicate was inserted per group of 15 samples sent the laboratory. The Caballo Blanco drill program is under the direct supervision of Kevin Sullivan, B.Sc., MAusIMM, the Company's Vice President, Exploration and a qualified person, as defined by NI 43-101. Mr. Sullivan has reviewed the technical information contained in this news release and reviewed the news release.

### **About Goldgroup**

Goldgroup is a well-funded Canadian-based gold production and exploration Company focused exclusively on Mexico, targeting growth in gold production, mineral resources, profitability and cash flow from a portfolio of production, development and exploration stage projects. The Company owns and operates the Cerro Colorado Gold Mine in Sonora, Mexico. Goldgroup's property portfolio includes its interests in its flagship project, Caballo Blanco in Veracruz and the San José de Gracia project in Sinaloa.

Goldgroup is lead by a team of highly successful and seasoned individuals with extensive expertise in exploration, corporate finance and mine development in Mexico.

For further information on **Goldgroup**, please visit [www.goldgroupmining.com](http://www.goldgroupmining.com) or contact:

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### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

*Certain information contained in this news release, including any information relating to future financial or operating performance may be deemed "forward-looking". All statements in this news release, other than statements of historical fact, that address events or developments that Goldgroup expects to occur, are "forward-looking information". These statements relate to future events or future performance and reflect Goldgroup's expectations regarding the future growth, results of operations, business prospects and opportunities of Goldgroup. These forward-looking statements reflect Goldgroup's current internal projections, expectations or beliefs and are based on information currently available to Goldgroup. In some cases forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. Certain assumptions have been made regarding the Company's plans at the Caballo Blanco property. Many of these assumptions are based on factors and events that are not within the control of Goldgroup and there is no assurance they will prove to be correct. 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 including, without limitation: fluctuations in precious and base metal prices; inherent hazards and risks associated with mining operations; inherent uncertainties associated with mineral exploration and development activities; uncertainties inherent in the estimation of mineral reserves and/or resources and precious metal recoveries; uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from Goldgroup's projects; uncertainties related to current global financial conditions; uncertainties related to the availability of future financing necessary to undertake exploration, development, mining and processing activities on Goldgroup's properties; Goldgroup's substantial reliance on its Cerro Colorado Mine for revenues; risks related to the planned expansion of the Cerro Colorado Mine; risks related to the continued operation and planned expansion of the Cerro Colorado Mine without a current economic analysis; risks related to the integration of businesses and assets acquired by Goldgroup; uncertainties related to the competitiveness of the mining industry; risks associated with Goldgroup being subject to government regulation, including changes in law and regulation and risks associated with Goldgroup's need for governmental licenses and permits; risks associated with Goldgroup being subject to extensive environmental laws and regulations, including a change in*

regulation; risks that Goldgroup's title to its property could be challenged; political and country risk; risk of water shortages and risks associated with competition for water; Goldgroup's need to attract and retain qualified personnel; increases in off-site transportation and concentrate processing costs; risks related to the need for reclamation activities on Goldgroup's properties, including the nature of reclamation required and uncertainty of costs estimates related thereto; risks associated with potential conflicts of interest; risks associated with potential labour disputes; and risks associated with potential blockades of mining operations as well as "Risks and Uncertainties" included in the Annual Information Form and MD&A for Goldgroup available at [www.sedar.com](http://www.sedar.com). Forward-looking information is not a guarantee of future performance and actual results and future events could differ materially from those discussed in the forward-looking information. All of the forward-looking information contained in this news release is qualified by these cautionary statements. Although Goldgroup believes that the forward-looking information contained in this news release are based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Accordingly, readers are cautioned against placing undue reliance on forward-looking information. Goldgroup expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient drilling and exploration to define a mineral resource. It is uncertain if further drilling and exploration will result in the target being delineated as a mineral resource. The true width of the intercept disclosed in this news release is unknown at this time.

This news release and the information contained herein does not constitute an offer of securities for sale in the United States and securities may not be offered or sold in the United States absent registration or exemption from registration.