



Goldgroup Hires General Manager for Caballo Blanco and Other Key Personnel

May 18, 2011

TSX: GGA

Vancouver, British Columbia (May 18, 2011) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) is pleased to announce that it has hired Mr. Rick Irvine, P.Eng, as the General Manager of the Caballo Blanco gold project in Veracruz, Mexico. The Company also announces that it has promoted Francisco Escandon, Geol. Eng. MMSA, from his former position as Director of Operations of Caballo Blanco to Technical Director of Goldgroup and hired the following: Dustin VanDoorselaere as Projects Manager, Dr. Roger Newell as a Consulting Geologist in charge of Northern Mexico exploration (all of whom will report to Keith Piggott, President and CEO) and Brigitte McArthur as Corporate Secretary. These appointments are consistent with the Company’s growth strategy of increasing its gold production significantly in Mexico over the next three years.

Keith Piggott Goldgroup's President and CEO said: "We are very pleased Mr. Irvine, Mr. VanDoorselaere, Dr. Newell and Ms. McArthur have joined the Goldgroup team. They will all greatly enhance our operational expertise and help ensure that our flagship gold property Caballo Blanco continues to complete its milestones to production in 2012."

Francisco Escandon, Technical Director

Mr. Escandon is a graduate geological engineer from the National University of Mexico, with more than 40 years of experience in exploration and mining. Mr. Escandon's varied experience includes mine design, metallurgical research, feasibility studies and environmental studies. Mr. Escandon was the Director in charge of the Consejo de Recursos Minerales, Mexico's Geological Survey, for six years. He is a member of the Mexican Academy of Engineering and the winner of the National Award in Geology. He is a qualified person (QP) as defined by Canadian NI 43-101 regulations.

Rick Irvine, General Manager, Caballo Blanco

Mr. Irvine is responsible for the development of Caballo Blanco into an operating mine. Rick is an experienced and accomplished mine engineer in operations at senior managerial levels. He has a proven history as a mine builder, having brought three projects from the grass roots stage through to production. He is a self described team-builder, fluent in Spanish and well aware of the cultural differences and working environments of Latin America (Peru, Mexico, Bolivia, Nicaragua, Argentina, Honduras) having lived there for more than 10 years. In addition to a mine engineering background, he possesses a very strong grasp of geology both in education and professionally. Mr. Irvine has received B.Sc. degrees in Geology, University of New Brunswick and Mining Engineering, Queen’s University.

Dustin VanDoorselaere, Projects Manager

Mr. VanDoorselaere is responsible for assisting Keith Piggott with all of Goldgroup’s projects: Caballo Blanco, San José de Gracia and Cerro Colorado. Dustin is an experienced mining professional who has held a variety of roles including operations, technical and management in underground gold mines in Mexico and West Africa and open pit gold mines in Ghana, Mexico and Canada. He has held upper management positions in Canada, Western Australia, Ghana and Mexico. Dustin has civil construction and contract mining experience, working with a variety of companies in projects throughout Canada as well as contract mining management experience gained throughout the world. Mr. VanDoorselaere received his B.Sc., Mining Engineering, *cum laude*, from

Laurentian University, Ontario.

Dr. Roger Newell, Consulting Geologist

Dr. Newell will direct Northern Mexico exploration with the objective of increasing resources for the Cerro Colorado mine operation. Dr. Newell has considerable experience in the Sonora/California gold belt, and as president of Capital Gold's Mexican subsidiary Minera Santa Rita, he most recently assisted in the development of the El Chanate mine that was recently sold to Gammon Gold for \$350 million. He is currently Board Chairman of Lake Victoria Mining Company and a Director for Midway Gold Corporation. He was also a senior geologist exploration manager with Newmont and Gold Fields.

Brigitte M. McArthur, Corporate Secretary

Ms. McArthur has served in multiple capacities such as corporate secretary, director and treasurer for several publicly traded companies and has over 22 years experience in corporate and regulatory compliance. She is a member of the Canadian Society of Corporate Secretaries and has wide-ranging international experience in the administration and regulatory compliance of public companies.

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
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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. 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.