



## **Goldgroup Drills Additional Gold Intercepts at the La Paila Zone at Caballo Blanco and Hires New Vice President, Technical and Project Execution**

**DDH 11 CBN 172: 107.90 m @ 0.94 g/t Au**  
**DDH 11 CBN 167: 76.00 m @ 0.98 g/t Au**  
**DDH 11 CBN 166: 40.30 m @ 0.94 g/t Au**

**Vancouver, British Columbia (February 10, 2012)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) is pleased to announce that additional diamond drill holes at the Company’s 100% wholly owned Caballo Blanco gold project in Veracruz, Mexico have yielded significant gold intercepts. All diamond drill holes encountered completely oxidized, vuggy and siliceous rock occurring within and peripheral to the La Paila Zone, which lies within the Northern Zone. 16 of the 19 drill holes reported below (see Tables 1 and 2, and the drill hole location map) contain intervals above the established cut-off grade and are part of the ongoing drill program intended to increase mineral resources at Caballo Blanco. Of the 19 drill holes reported below, seven of these drill holes further define the La Paila mineral resource, and the remaining 12 drill holes were drilled to expand the southwestern flank of the La Paila Zone. The zone currently remains open to the south and southwest.

Keith Piggott, President and CEO of Goldgroup, stated, “We are pleased with these new diamond drill results, which continue to confirm, define and expand the La Paila Zone. As we continue to receive positive results from our 2011 drill program and conduct our additional 30,000 metre drill program in 2012, we expect to increase resources at the La Paila Zone. Furthermore, Management expects to identify new zones of mineralization in both the Northern Zone and Highway Zone through its 2012 diamond drill program.”

The Company focused its 2011 drill program primarily on the La Paila Zone, specifically with the objectives of designing the first open pit and updating the current NI 43-101 mineral resource estimate for Caballo Blanco. Moreover, in-house and consultant engineering have significantly advanced Goldgroup’s column leach testing in its large on-site facility and progressed leach pad and carbon recovery plant design. The drilling and infrastructure work at Caballo Blanco, combined with the anticipated updated NI 43-101 mineral resource estimate, are intended to form the basis of a preliminary economic assessment (PEA) expected to be completed in the first quarter of 2012. The current drill program, together with the on-going column-leach metallurgical testing, environmental and sociological studies as well as the run of mine heap-leach pad design and other engineering, form the basis for targeting commencement of production at Caballo Blanco by 2012 year-end.

As part of Goldgroup’s ongoing 30,000 metre drill program in 2012, the Company expects to continue diamond drilling in the La Paila Zone, in addition to diamond drilling a number of identified geochemical and geophysical targets occurring to the south, southwest and northeast of the La Paila Zone, all within the large Northern Zone ring structure. Furthermore, the Company also intends to drill targets in the Highway Zone, which is located approximately seven kilometres to the southeast of the Northern Zone.

**Table 1. Drill-Hole Results for the Caballo Blanco Project, Mexico**

Drill Hole	Mineralization			
	From (m)	To (m)	Interval (m)	Au grade (g/t)
11 CBN 160				nsv
11 CBN 161	99.55	111.55	12.00	0.29
and	121.55	127.55	6.00	0.51
and	135.55	139.55	4.00	0.31
and	143.55	155.55	12.00	0.26
and	159.55	171.55	12.00	0.32
and	179.55	185.55	6.00	0.24
11 CBN 162	91.95	95.95	4.00	0.76
11 CBN 163	118.40	123.90	5.50	0.34
and	246.50	250.50	4.00	0.34
and	332.50	346.50	14.00	1.00
11 CBN 164				nsv
11 CBN 165	202.18	218.18	16.00	0.49
and	288.18	304.18	16.00	0.29
and	318.18	340.18	22.00	0.57
11 CBN 166	71.35	111.65	40.30	0.94
and	132.45	136.85	4.40	0.25
and	215.13	223.40	8.27	0.57
and	271.95	275.95	4.00	0.25
11 CBN 167	146.22	222.22	76.00	0.98
11 CBN 168	204.80	208.80	4.00	0.38
and	212.80	226.80	14.00	0.53
and	310.80	314.80	4.00	0.23
and	316.80	320.80	4.00	0.25
and	352.80	357.70	4.90	0.37
11 CBN 169	134.00	152.90	18.90	0.60
and	248.72	254.81	6.09	0.28
11 CBN 170	227.62	245.62	18.00	0.38
11 CBN 171	217.50	233.50	16.00	0.40
11 CBN 172	97.80	101.80	4.00	0.24
and	107.80	111.80	4.00	0.28
and	119.80	227.70	107.90	0.94
and	242.70	268.85	26.15	0.39
11 CBN 173				nsv
11 CBN 174	329.25	341.25	12.00	0.29
11 CBN 175	177.50	182.78	5.28	0.37
and	189.59	193.59	4.00	0.43
and	195.59	227.59	32.00	0.28
and	253.50	273.50	20.00	0.23
11 CBN 176	52.90	72.90	20.00	0.57

Drill Hole	Mineralization			
	From (m)	To (m)	Interval (m)	Au grade (g/t)
and	92.90	137.40	44.50	0.54
and	180.80	184.80	4.00	0.56
11 CBN 177	216.85	226.85	10.00	1.14
and	230.85	252.85	22.00	0.26
and	266.85	270.85	4.00	0.45
11 CBN 178	30.00	38.00	8.00	0.43

For a drill hole location map, click [here](#).

Of the holes presented above, 16 intersected gold mineralization in excess of the 0.2 g/t Au cut-off grade used in the current Caballo Blanco NI 43-101 technical report dated February 28, 2011, which is available on SEDAR. However, it is expected that as a result of favourable leach kinetics, recovery and ease of mining, a lower cut-off grade may be applicable.

The results presented today are part of the 2011 drill program and are intended to be used in the preparation of the anticipated updated NI 43-101 mineral resource estimate. Drill holes 11 CBN 161, 162, 163, 166, 167, 172 and 176 were all drilled within the main La Paila Zone to further define the mineral resource. Five of these seven drill holes encountered mineralized intervals at widths and gold grades comparable to those used in the initial resource calculation. Drill hole 11 CBN 162 encountered sporadic mineralization above the 0.2 g/t cut off grade, on the western flank of the main zone. Drill hole 11 CBN 163 cut sporadic low grade mineralization within a zone of massive silica alteration in the central portion of the main zone. Drill holes 11 CBN 160, 164, 165, 168, 169-171, 173-175, 177 and 178 were all collared on the western and southwestern flank of the La Paila Zone and extend the mineralisation a further 100m down plunge to the southwest. A complete summary of the assay results from diamond drill holes DDH 11 CBN 160 to DDH 11 CBN 178, as well as a drill-hole location map of the La Paila Zone detailing the relative locations of all historical drill holes will be posted on the Goldgroup website <http://www.goldgroupmining.com/s/projects.asp>.

**Table 2. Drill Hole Location Data, Caballo Blanco Project, Mexico**

Drill Hole	East UTM Coord (metres)	North UTM Coord (metres)	Elevation (m.a.s.l)	Azimuth (degrees)	Plunge (degrees)	Total Length (metres)
11 CBN 160	768118	2184150	535.7	0°	-90	233.0
11 CBN 161	768350	2184703	508.3	090	-45	302.7
11 CBN 162	768167	2184445	484.8	270	-80	305.4
11 CBN 163	768222	2184403	501.3	180	-50	356.4
11 CBN 164	768070	2184151	527.4	0	-90	299.0
11 CBN 165	768119	2184098	510.4	0	-90	367.0
11 CBN 166	768210	2184493	505.9	90	-80	317.4
11 CBN 167	768350	2184700	508.5	135	-45	281.3
11 CBN 168	768118	2184047	500.0	0	-90	363.7
11 CBN 169	768266	2184051	514.5	0	-90	299.8
11 CBN 170	768225	2184050	536.5	0	-90	299.6
11 CBN 171	768172	2184049	505.6	0	-90	322.5
11 CBN 172	768307	2184062	497.5	90	-75	278.7
11 CBN 173	768067	2184099	511.4	0	-90	358.0
11 CBN 174	768067	2184046	502.1	0	-90	361.5
11 CBN 175	768170	2183999	495.9	0	-90	301.5
11 CBN 176	768308	2184062	497.5	90	-50	249.9
11 CBN 177	768114	2183990	484.9	0	-90	388.0

11 CBN 178	768021	2184103	517.3	0	-90	301.5
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m.a.s.l = metres above sea level; Coord = Coordinate; na = not applicable

## **About Caballo Blanco**

Goldgroup owns 100% of the Caballo Blanco gold project which consists of a series of fully oxidized gold zones located in the State of Veracruz in eastern Mexico. The principal known gold zone at Caballo Blanco is the La Paila Zone located within a cluster of high-sulphidation epithermal alteration zones referred to as the Northern Zone. The current NI 43-101 mineral resource estimate for the La Paila Zone was compiled from 32 diamond drill holes totalling approximately 7,000 metres completed by NGEEx Resources Inc., prior to Goldgroup's acquisition of its interest in the project in November 2009. This mineral resource estimate consists of 139,000 ounces of gold (6.7 million tonnes grading 0.65 g/t Au) contained in the category of indicated resources and 517,000 ounces of gold (27.6 million tonnes grading 0.58 g/t Au) contained in the category of inferred resources. NGEEx Resources Inc. drilled an additional 8 drill holes at the Caballo Blanco project outside the La Paila Zone. Subsequently, Goldgroup has drilled an additional 149 holes in 2010 and 2011, for a total of 189 holes drilled to date at the Caballo Blanco project.

During 2011, Goldgroup completed a 30,000 metre, 120 hole drill program, of mostly HQ core, centered largely on the La Paila mineralized zone. The Company has received assays for all 2010 drill program holes and 111 of the 120 holes drilled in its 2011 program, which are expected to be used to update the NI 43-101 mineral resource estimate.

## **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 ALS Minerals and transported to their Guadalajara preparation facility where they were dried and crushed to -2mm. A 250 gram split of the coarse material was then pulverized to -200 mesh. The rejects remained at the prep facility and the pulps were air couriered to ALS Minerals North Vancouver facility and analyzed for gold by 30g fire assay with an AA finish. In addition, a 35 element ICP analysis 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 ten samples sent to the laboratory. The information in this news release has been approved by Marc Simpson, P. Geo., the Company's Qualified Person under National Instrument 43-101 standards.

## **Goldgroup Hires New Vice President, Technical and Project Execution**

Goldgroup is also pleased to announced that it has hired Mr. Patrick Glynn as the Company's Vice President, Technical and Project Execution. Mr. Glynn is a graduate metallurgist from the University of the Witwatersrand in Mineral Processing Engineering. Mr. Glynn has 35 years of experience in the operation and design of gold, copper, nickel and PGM's processing facilities. He has worked in Zimbabwe, South Africa, Russia, Australia and Laos providing expertise in mineral processing and project management. From December 2009 to January 2012 he held the position of Project Manager for Rosemont Copper Company, managing a billion dollar project. Prior to Rosemont Copper Company, he was the Senior Project Manager at AMEC International on a multibillion dollar Potash expansion project in Saskatchewan. Mr. Glynn has also spent a significant part of his career at Bateman Engineering as a Project Manager for the Sepon gold and copper projects in Laos and as a mineral processing engineer/manager.

## About Goldgroup

Goldgroup is a well-funded Canadian-based gold production, development, and exploration Company with significant upside in a portfolio of projects in Mexico, including its flagship 100%-owned advanced stage gold development project, Caballo Blanco, in Veracruz, and the 50%-owned high grade gold exploration project, San José de Gracia, in Sinaloa. The Company operates the 100%-owned Cerro Colorado gold mine in Sonora, Mexico.

Goldgroup remains in a flexible financial position with a strong cash balance, no debt and no gold hedging. The Company is led by a team of highly successful and seasoned individuals with extensive expertise in mine development, corporate finance, and exploration in Mexico. Goldgroup's mission is to grow gold production, mineral resources, profitability and cash flow, building a leading gold producer in Mexico.

For further information on Goldgroup, please visit [www.goldgroupmining.com](http://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 project. 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 widths of the intercepts disclosed in this news release are unknown at this time.*