Goldgroup Announces Completion of PEA on Caballo Blanco Indicating Robust Project Economics of 66% Pre-Tax IRR and US$284 million Pre-Tax NPV and Provides Corporate Update

Vancouver, British Columbia – (April 12, 2012) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) is pleased to announce initial positive results from a Preliminary Economic Assessment (“PEA”) for the Company’s 100%-owned Caballo Blanco gold project located in the State of Veracruz, Mexico. Based on the PEA, the Caballo Blanco project is expected to generate a 66.4% pre-tax internal rate of return (“IRR”) and a US$283.8 million pre-tax net present value (“NPV”) at a 5% discount rate, over an approximate 7.5-year mine life and produce 687,000 ounces of gold and 1.3 million ounces of silver, based on the current mineable resource determined from the Whittle optimization model. A technical report entitled “*Minera Cardel Resource Corp. – Caballo Blanco Gold Heap Leach Preliminary Economic Assessment*” will be completed within 45 days and will be filed on SEDAR and the Company’s website.

PEA Highlights

- Indicated mineral resources of 575,000 ounces of gold (28.9 million tonnes grading 0.62 g/t Au) and inferred mineral resources of 419,000 ounces of gold (24.0 million tonnes grading 0.54 g/t Au)
- The Whittle optimization model shell contains 49.3 million tonnes of mineralized material above the Net Smelter Return (“NSR”) cut-off of $3.04/t and 852,000 ounces of contained gold and 3.6 million ounces of contained silver. The NSR parameters utilized in the optimization model were $1,150 per ounce for gold and $21.50 per ounce for silver. The initial strip ratio is 0.5 and 1.3 in years one and two respectively, and an overall strip ratio of 1.66 for the Life-of-Mine (“LOM”)
- Overall anticipated metallurgical gold recovery of 80.7% based on current metallurgical testing
- At full production of 20,000 tonnes per day, expects annual production of 95,000 ounces of gold for years two to seven, for a total production of 687,000 ounces of gold and 1.3 million ounces of silver for the expected LOM of 7.5 years
- Total cash operating cost of US$784 per ounce of gold
- Anticipate pre-production period of approximately one year
- Initial capital costs estimated at US$84.8 million, plus additional US$53.5 million of sustaining capital costs over the LOM
- Un-leveraged pre-tax IRR of 66.4% and a NPV of US$283.8 million at a base case gold price of US$1,500 per ounce, a silver price of US$30 per ounce, and a discount rate of 5%, representing a payback period of 1.5 years
- Total LOM pre-income tax cash flow is US$386.3 million, net of pre-production development and sustaining capital of US$138.3 million

Table 1: PEA Highlights – Base Case

	Unit	Values
Average Mined Gold Grade	g/t	0.538
LOM from Production Start	Years	7.5
IRR Pre-Tax	%	66.4
NPV Pre-Tax (5% Discount Rate)	US$M	283.8
Payback Period from Production Start	Years	1.5
NPV Pre-Tax (0% Discount Rate)	US$M	386.3
Initial Capital Cost	US$M	84.8
Sustaining Capital Cost	US$M	53.5
Cash Costs	US$/oz	783.99
Metallurgical Recovery	%	80.7
Total Recovered Gold	oz	687,000
Total Mine Gold to Leach Pad	oz	852,000

Table 2: Economic Parameters

	US $M	US $/t Resource	US $/oz Au
Mine Gate Value of All Resource Net of Transportation and Refining	1,064	21.58	1,546.77
Mining Operating Cost	(264.3)	(5.36)	(384.33)
Processing Cost	(160.7)	(3.26)	(233.69)
Water Treatment/Management Cost	(35.4)	(0.72)	(51.45)
General & Administration Cost	(60.1)	(1.22)	(87.45)
Royalty Cost	(18.6)	(0.38)	(27.07)
Cash Operating Cost	**(539.1)**	**(10.94)**	**(783.99)**
Cash Operating Cash Flow	524.6	10.64	762.78
Capital Cost Including Pre-Production Development	(138.3)	(2.80)	(201.04)
Pre-Income Tax Cash Flow	**386.3**	**7.84**	**561.74**

Keith Piggott, President and CEO of Goldgroup, stated, "The preliminary economic assessment is a significant milestone for Goldgroup, and we are pleased with its results, indicating that the Caballo Blanco project is economically robust both in terms of its NPV and IRR, even well below current gold prices. We are moving this project forward responsibly to achieve production within the earliest possible timeframe. We are confident that our team at Goldgroup is capable of achieving the conservative parameters described in the PEA. Furthermore, we intend to continue growing our resources in 2012 as we continue to conduct infill and step-out drilling at Caballo Blanco."

The PEA was based on contract-mining, incorporating an open-pit mine and a 20,000 tonne per day heap-leach processing facility. Utilizing the Whittle optimization model, economic pit optimization was run using a US$1,150 per ounce of gold. The PEA was completed and compiled by KD Engineering (the "Engineer") of Tucson, Arizona, with contributions by SRK Consulting (Canada) Inc., and MWH Americas, Inc. The PEA was based on indicated and inferred mineral resources using the mineral resource estimate dated February 16, 2012 prepared by Jim Cuttle, P. Geo., and Gary Giroux, P. Eng., of Giroux Consultants Ltd., each of which is an independent Qualified Person under NI 43-101 standards.

Sensitivity Analysis from Base Case Scenario

Assuming a 100% equity financing, the PEA base case at US$1,500 per ounce of gold indicates a pre-tax IRR of 66.4% and a pre-tax NPV of US$283.8 million at a discount rate of 5% on one year of construction, approximately 7.5 years of mining to produce an average of approximately 95,000 ounces of gold annually in main production years, followed by an additional 2 years of residual gold recovery and heap decommissioning. At a higher gold price of US$1,700 per ounce, the project's IRR increases significantly to 83.7% with a pre-tax NPV of US$387.6 million at a discount rate of 5%.

Table 3: Economic Analysis – Pre-Tax NPV, IRR, and Payback Period at Selected Gold Prices

	Gold Price (US$/ounce)					
	$1,150	**$1,300**	**$1,400**	**$1,500**	**$1,600**	**$1,700**
Pre-Tax NPV@ 5% (MM US$)	$93.9	$180.0	$231.9	$283.8	$335.7	$387.6
Pre-Tax IRR	30.0%	47.7%	57.3%	66.4%	75.2%	83.7%
Payback Period, Operating Years	3.3	2.0	1.7	1.5	1.4	1.3

Mining Production Schedule

The Company expects to increase the LOM through its ongoing exploration program, including a 30,000 metre drill program in 2012. The year-by-year production schedule is presented below:

Table 4: Life-of-Mine Production Schedule

	Unit	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total										
Diluted Mineralized Tonnage	(Mt)	49.3	4.3	7.0	7.0	7.0	7.0	7.0	7.0	3.0
Diluted Grades										
Au	(g/t)	0.54	0.55	0.55	0.51	0.53	0.55	0.53	0.52	0.61
Ag	(g/t)	2.31	2.42	3.04	2.53	2.87	2.25	1.76	1.76	1.39
Contained Metal										
Au	(koz)	853	76	124	115	119	124	119	117	58
Ag	(koz)	3,664	336	683	569	645	506	396	395	133
Diluted Grades										
Au	(koz)	682	61	99	92	95	99	96	94	47
Ag	(koz)	1,099	101	205	171	193	152	119	119	40
Waste Tonnage	(Mt)	82.0	2.1	9.0	15.3	10.3	10.9	18.0	13.7	2.7
Total Tonnage	(Mt)	131.3	6.4	16.0	22.3	17.3	17.9	25.0	20.7	5.6
Strip Ratio	(t:t)	1.7	0.5	1.3	2.2	1.5	1.6	2.6	2.0	0.9
Avg. Material Mined	(t/day)	45,000	18,000	44,000	61,000	47,000	49,000	68,000	57,000	15,000

Qualified Person

The process and metallurgy information presented above in this news release has been approved by Joseph Keane, P.E., of KD Engineering, the mining information presented above in this news release has been approved by Dino Pilotto, P.Eng., of SRK Consulting (Canada) Inc., leach pad, waste dump and ancillary facility information presented above in this news release has been approved by Stephen Taylor, P.E., of MWH Americas. Inc., and the geophysics and block model presented above in this news release has been approved by Gary Giroux, P. Eng., of Giroux Consultants Ltd., each an independent Qualified Person under National Instrument 43-101 standards.

Management's Discussion on Preliminary PEA Results

- The PEA's disclosed expected initial capital costs to bring Caballo Blanco into production include a separate $10.7 million contingency, representing approximately 30% of the total direct and indirect plant costs, owner's costs of $9.0 million, as well as a $10.4 million primary and secondary crushing system
- The PEA's disclosed expected operating costs include 100% crushing of ore, use of diesel power, and water treatment costs
- Metallurgical gold recovery of 80.7% as disclosed in the PEA is in-line with Management's previously anticipated recovery rate for the La Paila ore body
- Overall strip ratio is in-line with management expectations, with an initial strip ratio of 0.5 and 1.3 in years one and two respectively, and an overall strip ratio of 1.66 for the LOM
- Based on results from the PEA, Management expects the Caballo Blanco project to require approximately nine months of construction time from the date of anticipated approval of the Environmental Impact Statement ("EIS")
- According to the PEA, production is expected to ramp-up from 61,000 ounces of gold annually in year one, to an average of 95,000 ounces of gold annually in years two to seven. This production schedule is in-line with Management's expectations
- The PEA's average mined gold grade of 0.538 g/t Au is slightly below that of the current technical report dated February 16, 2012

Project Optimization: Opportunities to Reduce Operating Costs

The operating costs listed below have been identified by Management and are not necessarily identified in the PEA as potential cost saving opportunities.

- Conveying versus truck haul
- Overhead line power versus diesel generated power
- Reduced crushing to 50% of total ore
- Water treatment optimization

Project Timeline

As previously disclosed, the EIS was submitted by Goldgroup to Secretaría de Medio Ambiente y Recurso Naturales ("SEMARNAT") on December 16, 2011. SEMARNAT, which acts as the federal environmental regulatory agency in Mexico, provided its first written response to Goldgroup in line with the typical response time of 60 working days, as disclosed in the Company's news release dated March 19, 2012.

Goldgroup expects to provide a detailed written response to SEMARNAT to sufficiently satisfy its queries within the required 60 working day response time. Following the receipt of the written response from Goldgroup, SEMARNAT will review the application a second time to determine the status of permitting, including possible required further clarification. This form of federal regulatory response is standard procedure in the environmental permitting process in the majority of established mining jurisdictions, including Mexico. The EIS is required for the commencement of plant construction and mining activities**.**

The timing of the EIS permit approval is expected to be in Q3 2012, however, extensions by SEMARNAT may occur. Based on results from the PEA, Management estimates the Caballo Blanco project to require approximately nine months of construction time from the date of anticipated approval of the EIS and related permits.

Future Plans

Following the completion of the PEA report, Goldgroup will address the recommendations identified in the PEA with a view of eliminating assumptions and providing substantive data to progress the project towards production. Goldgroup intends to complete additional engineering investigations to further address issues such as hydrology, geotechnical characteristics, and a detailed overall site survey plus weather studies. Following the completion of this work, engineering and procurement will proceed, followed by construction. Preparation for construction activities will include prequalification of local and regional contractors, preparation of contract documentation for civil, concrete, steel, mechanical and piping, electrical and instrumentation installation. Construction management will be self-performed by Goldgroup and will include recruitment of temporary construction specialists to support and ensure quality assurance and control is adhered to. Engineering support will be provided by design engineers to ensure that the installation and quality is in accordance with the design specifications. Implementation of Goldgroup's plan will be synchronized with the permitting process to achieve the overall goal of being in production at the earliest possible time.

Disclaimer

The initial results of the PEA are preliminary in nature and include inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves or that the preliminary economic assessment will be realized. Conditions and parameters of the project are subject to change based on the final filing of the PEA on SEDAR within 45 days of this release.

Board of Directors Changes

Goldgroup is pleased to announce the appointment of Mr. Lenard F. Boggio, FCA, CPA, to the Board of Directors effective May 10, 2012.

Mr. Boggio has an extensive accounting, financial, auditing and governance background focused on mining, energy and financial services sectors. Most recently, he was a partner at PricewaterhouseCoopers LLP ("PwC") for 24 years and the senior member of the firm's mining industry group in Vancouver, Canada. He has been a Director of Blue Gold Mining Inc. since September 2011.

Mr. Boggio has a Bachelor of Arts degree and a Bachelor of Commerce degree from the University of Windsor, Ontario. He has been a Chartered Accountant and member of the Institute of Chartered Accountants of British Columbia (ICABC) since 1985. Mr. Boggio also earned his CPA designation in 1999.

Mr. Boggio was elected a Fellow of the ICABC in 2007 for outstanding service to the community and his profession, and in 2011 was elected as President of the ICABC. From 1991 to 1996, he was a member and Chair of the ICABC Technical Forum, which meets regularly to discuss issues of policy and disclosure with senior members of the British Columbia Securities Commission and TSX Venture Exchange. Mr. Boggio is also a past member of the Ontario Securities Commission Continuous Disclosure Advisory Committee from 2006 to 2009 and is a regular lecturer for the Institute of Corporate Directors - Directors Education Program.

Mr. Robert Byford has resigned from the Board of Directors of Goldgroup to pursue personal matters. Over the course of nearly two years as a Board member of Goldgroup, Mr. Byford has significantly contributed to the Company's progress. Goldgroup would like to thank him for his contributions and wish him well in his future endeavours.

Royalty Termination Agreement Signed with NGEx Resources Inc.

Effective April 11, 2012, Goldgroup and NGEx Resources Inc. ("NGEx") have terminated the 1.5% NSR royalty that NGEx held with respect to 70% of gold production, representing a 1.05% NSR on total gold production, from the Caballo Blanco Project for consideration of Cdn$1,000,000 cash and 2,200,000 common shares of Goldgroup.

Goldgroup believes that this royalty termination is an accretive transaction to shareholders, as the agreed upon payment to NGEx is significantly below the sum of NSR royalties expected over the LOM of the Caballo Blanco project.

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 the state of Veracruz, and the 50%-owned high grade gold exploration project San José de Gracia in the state of Sinaloa. The Company also operates its 100%-owned Cerro Colorado gold mine in the state of Sonora.

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 increase 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

On behalf of the Board of Directors,

Keith Piggott, President & CEO
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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 considered "forward-looking information" (within the meaning of applicable Canadian securities law) and "forward-looking statements" (within the meaning of the United States Private Securities Litigation Reform Act of 1995). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information. 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 information is 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 information, and are developed based on assumptions about such risks, uncertainties and other factors including, without limitation: uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from Goldgroup's projects; uncertainties associated with development activities; uncertainties inherent in the estimation of mineral resources and precious metal recoveries; risks related to the continued operation of the Cerro Colorado mine without a current economic analysis; risks related to the planned expansion of the Cerro Colorado mine; uncertainties related to current global economic conditions; fluctuations in precious and base metal prices; uncertainties related to the availability of future financing; potential difficulties with joint venture partners; risks that Goldgroup's title to its property could be challenged; political and country risk; risks associated with Goldgroup being subject to government regulation; risks associated with surface rights; environmental risks; Goldgroup's need to attract and retain qualified personnel; risks associated with operating hazards at the Cerro Colorado mine; risks associated with potential conflicts of interest; Goldgroup's lack of experience in overseeing the construction of a mining project; risks related to the integration of businesses and assets acquired by Goldgroup; uncertainties related to the competitiveness of the mining industry; risk associated with theft; risk of water shortages and risks associated with competition for water; uninsured risks and inadequate insurance coverage; risks associated with potential legal proceedings; risks associated with community relations; outside contractor risks; risks related to archaeological sites; foreign currency risks; risks associated with security and human rights; and risks related to the need for reclamation activities on Goldgroup's properties, as well as the risk factors disclosed in Goldgroup's Annual Information Form and MD&A. Any and 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 is 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 as ay be required by, and in accordance with, applicable securities laws.