



## Goldgroup Files Updated NI 43-101 Technical Report on the Cerro Colorado Gold Mine

Vancouver, British Columbia – (May 16, 2012) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) announces that the technical report on the updated mineral resource estimate on the Cerro Colorado gold mine titled “*NI 43-101 Technical Report, Cerro Colorado Gold Mine, Sonora, Mexico*” (the “Technical Report”), effective February 29, 2012 and dated May 14, 2012, has been filed on the Company’s website and on SEDAR in compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) requirements.

The Technical Report outlines the Company’s mineral resource estimate at the Cerro Colorado gold mine, establishing measured resources of 14,000 ounces of gold, indicated resources of 30,000 ounces of gold and inferred resources of 56,000 ounces of gold using a cutoff grade of 0.20 g/t Au.

**Table 1: Measured Resources in Mineralized Portion of Blocks**

Cut-off Grade (g/t Au)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal Au (ozs)
0.10	1,030,000	0.48	16,000
0.15	860,000	0.55	15,000
<b>0.20</b>	<b>720,000</b>	<b>0.62</b>	<b>14,000</b>
0.25	630,000	0.68	14,000
0.30	540,000	0.75	13,000

**Table 2: Indicated Resources in Mineralized Portion of Blocks**

Cut-off Grade (g/t Au)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal Au (ozs)
0.10	2,770,000	0.39	34,000
0.15	2,270,000	0.44	32,000
<b>0.20</b>	<b>1,860,000</b>	<b>0.51</b>	<b>30,000</b>
0.25	1,530,000	0.57	28,000
0.30	1,260,000	0.63	25,000

**Table 3: Inferred Resources in Mineralized Portion of Blocks**

Cut-off Grade (g/t Au)	Tonnes > Cut-off (tonnes)	Grade > Cut-off Au (g/t)	Contained Metal Au (ozs)
0.10	4,110,000	0.46	61,000
0.15	3,590,000	0.51	59,000
<b>0.20</b>	<b>3,050,000</b>	<b>0.57</b>	<b>56,000</b>
0.25	2,720,000	0.62	54,000
0.30	2,400,000	0.66	51,000

SRK Consulting of Denver, Colorado was retained to prepare a pit optimization report based on the block model prepared for the mineral resource estimate. A Whittle Shell pit was designed using the following parameters:

	<b>Cost</b>
Mining Cost (\$/tonne mined)	US\$ 1.84
Processing Cost (\$/tonne of ore mined)	US\$ 2.69
G&A Cost (\$/tonne of ore mined)	US\$ 1.61
Selling Cost (\$/troy oz sold)	US\$ 13.57
Royalty to Treasury Metals	3% of (Selling Price minus Selling Cost )
Overall slope angle (degrees)	50°
Gold Recovery (%)	60%
Gold Price (\$/oz)	US\$1,500

Based on the Whittle Shell defined incorporating the above criteria, measured and indicated resources of 33,000 ounces of gold and inferred resources of 1,300 ounces of gold lie within the Whittle Shell pits using a cut-off grade of 0.20 g/t Au.

**Table 4: Measured Resources in Mineralized Portion of Blocks within SRK Pit Outline**

<b>Cut-off Grade (g/t Au)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off Au (g/t)</b>	<b>Contained Metal Au (ozs)</b>
0.10	670,000	0.61	13,000
0.15	620,000	0.65	13,000
<b>0.20</b>	<b>570,000</b>	<b>0.70</b>	<b>13,000</b>
0.25	510,000	0.75	12,000
0.30	460,000	0.81	12,000

**Table 5: Indicated Resources in Mineralized Portion of Blocks within SRK Pit Outline**

<b>Cut-off Grade (g/t Au)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off Au (g/t)</b>	<b>Contained Metal Au (ozs)</b>
0.10	1,150,000	0.57	21,000
0.15	1,100,000	0.59	21,000
<b>0.20</b>	<b>1,020,000</b>	<b>0.62</b>	<b>20,000</b>
0.25	910,000	0.67	19,000
0.30	790,000	0.72	18,000

**Table 6: Inferred Resources in Mineralized Portion of Blocks within SRK Pit Outline**

<b>Cut-off Grade (g/t Au)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off Au (g/t)</b>	<b>Contained Metal Au (ozs)</b>
0.10	83,000	0.52	1,400
0.15	74,000	0.56	1,300
<b>0.20</b>	<b>64,000</b>	<b>0.62</b>	<b>1,300</b>
0.25	51,000	0.72	1,200
0.30	44,000	0.79	1,100

The Technical Report was prepared for the Company by Marc Simpson, P.Geo., the Company's qualified person under National Instrument 43-101 Standards with the mineral resource estimate prepared by Gary H. Giroux, P.Eng., M.A.Sc., of Giroux Consultants Ltd., an independent qualified person under National Instrument 43-101 Standards. The Whittle Shell was prepared by Fernando Rodrigues BSc, MBA, MAusIMM, MMSAQP of SRK Consulting, an independent qualified person under National Instrument 43-101 Standards.

## **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 a 50% interest in DynaResource de Mexico, S.A. de C.V., which owns 100% of the high-grade gold exploration project, San José de Gracia located 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](http://www.goldgroupmining.com)

On behalf of the Board of Directors,

Keith Piggott, President & CEO  
T: 604-682-1943

Stephanie Batory, Investor Relations  
Toll Free: 1-877-655-ozAu (6928)

## **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 San José de Gracia 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: risks associated with the Company's lack of control over the San José de Gracia property due its interest being indirect through its ownership of 50% of DynaMexico, the other 50% of which is owned by a third party; 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.