



## **Goldgroup Provides Update on Change of Soil Use Permit Status at Caballo Blanco**

**Vancouver, British Columbia – (May 23, 2012)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) has had its Change of Soil Use Permit, also known as the “Estudio Técnico Justificativo para Cambio de Uso de Suelo” (“ETJ”), returned to the Company, for its 100% owned Caballo Blanco gold project, from the Ministry of Environment and Natural Resources, also known as the Secretaría de Medio Ambiente y Recurso Naturales (“SEMARNAT”). Goldgroup submitted the ETJ to SEMARNAT, which is the federal environmental regulatory agency in Mexico, on December 16, 2011. The ETJ is evaluated by the regional office of SEMARNAT in Veracruz. Comments by SEMARNAT request that the Company provide further details on the following information for its ETJ application:

- Rescue programs for protected flora species
- Environmental mitigation measures for the project and how Goldgroup will measure its success
- Ecosystems affected by the use of environmental services (water, soil, air, etc.) required for the project
- Economic and social benefits of the project

SEMARNAT stated that Goldgroup is able to resubmit the ETJ application after addressing the above issues. Accordingly, Goldgroup will resubmit the enhanced ETJ application on a timely basis. Within the resubmitted ETJ application, Goldgroup will also include all information on additional land that has been acquired since the time of the initial filing of the ETJ application.

The Company is committed to implementing appropriate designs and measures at Caballo Blanco to ensure the protection of the environment and to create a sustainable mining operation that is expected to benefit all stakeholders, including local and regional communities.

### **Status of Environmental Impact Statement Permitting Application**

Goldgroup requires two independent environmental permits in order to operate the Caballo Blanco project; the Environmental Impact Statement (“EIS”) and the ETJ. The EIS and ETJ are required for the commencement of construction at Caballo Blanco.

The EIS application was submitted by Goldgroup to SEMARNAT on December 15, 2011. Formal comments from SEMARNAT in regards to Goldgroup’s EIS application were received by the Company on March 13, 2012. The comments requested more information on risk mitigation, along with environmental protection and rehabilitation of several aspects of the proposed mining operations. In proactively addressing all of the comments from SEMARNAT, Goldgroup will continue to ensure that the best interests of all stakeholders are factored into the development process of the project.

Goldgroup will provide a detailed written response for the EIS to SEMARNAT to sufficiently satisfy their queries within the required 60 working day response time. Following the receipt of the written response from Goldgroup, SEMARNAT will evaluate the application before making a decision on the permit. This form of federal

regulatory response is standard procedure in the environmental permitting process in the majority of established mining jurisdictions, including Mexico.

The timing of the EIS and ETJ permit approvals is currently anticipated to be in the third quarter of 2012, however, extensions by SEMARNAT may occur. Based on initial 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, ETJ and related permits.

Goldgroup would like to note that it had incorrectly stated the EIS application submission date to SEMARNAT as December 16, 2011 instead of December 15, 2011, in the Company's press release dated March 19, 2012.

## **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)

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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 may be required by, and in accordance with, applicable securities laws.*