



## **Goldgroup Signs Agreement to Acquire the Cerro Prieto Gold Project**

**Vancouver, British Columbia (January 28, 2013)** – Goldgroup Mining Inc. (“Goldgroup”) (TSX:GGA, OTC:GGAZF, BMV SIC:GGAN.MX) is pleased to announce that it has entered into a binding agreement with Oroco Resource Corp. (“Oroco”) (TSXV:OCO, Frankfurt: OR6) whereby Goldgroup will acquire 100% interest in Oroco’s Cerro Prieto Project (the “Properties”) in Sonora State, Mexico for an initial cash payment of US\$4.5 million, US\$1 million private placement of units in Oroco and up to an additional US\$13.5 million in payments made from future gold produced at the Properties, subject to receipt of regulatory and Oroco shareholder approvals.

Cerro Prieto is a principally permitted, gold and silver project located in northern Sonora State, Mexico, with mineral concessions totaling an area of approximately 7,000 hectares, containing approximately 17.5 kilometers of strike length of the mineralized structure hosting the current resource. In early 2012 Oroco announced the receipt of the Environment Impact Statement (Manifestacion de Impacto Ambiental) and the Authorization of Change of Land Use (Estudio Tecnico Justificativo para Cambio de Uso de Suelo) for the Cerro Prieto project.

### **Transaction Highlights**

- On closing, Goldgroup will pay Oroco US\$4.5 million in cash
- Goldgroup will subscribe for and purchase five million units in Oroco at a price of CDN\$0.20 per unit by way of private placement, with each unit being comprised of one common share and one non-transferable share purchase warrant. Each warrant shall entitle Goldgroup to purchase one common share of Oroco for a period of two years for CDN\$0.25
- Oroco will be entitled to receive up to an additional US\$13.5 million through cash payments equal to US\$150 for each of the first ninety thousand ounces of gold produced from the Properties paid quarterly and payments commencing no later than one year after closing of the transaction
- Goldgroup agrees to pay minimum payments of US\$625,000 per quarter unless the Properties are not in production by January 1, 2014 in which case the first two minimum quarterly payments of 2014 will be US\$250,000, the third minimum payment will be US\$625,000 and the fourth payment will be the balance of US\$2.5 million, less the three quarterly payments made
- Closing of the transaction is subject, but not limited to, the receipt of all required regulatory approvals as well as special resolution approval of Oroco shareholders
- Oroco will pay Goldgroup a break fee of US\$500,000 if the transaction is not completed by June 30, 2013

### **Goldgroup Plans for Cerro Prieto**

- Goldgroup plans to complete detailed evaluation of the Properties resources in order to develop its own development and growth plan and to provide 2013 guidance on construction and budgets after closing
- Due to Cerro Prieto’s close proximity to the Cerro Colorado mine, Goldgroup has the opportunity to realize future synergies between these projects

Dr. Hans von Michaelis, President, CEO & Director of Goldgroup commented: “Cerro Prieto offers Goldgroup the opportunity to realize synergies from its current operating mine, Cerro Colorado, located a

short distance away in northern Sonora State. Our focus will be to evaluate how to best use our equipment at the Cerro Colorado mine in the development of Cerro Prieto, as well as to grow Goldgroup's resource base and production profile. We look forward to participating in the successes of Oroco through our potential ownership interest in them."

### **About Goldgroup Mining Inc.**

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,**

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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.*