



Goldgroup Announces Closing of Acquisition of Cerro Prieto Project and Provides Corporate Update

Vancouver, British Columbia (September 3, 2013) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) is pleased to announce the closing of the acquisition (the “Transaction”) of a 100% interest in the Cerro Prieto Project (the “Project”) from Oroco Resource Corp. (“Oroco”), previously announced January 28, 2013.

Due to the current market conditions and the deterioration of the gold price since January 2013, Goldgroup and Oroco have agreed to restructure the terms of the Transaction. The original terms of the Transaction can be found in Goldgroup’s news release dated January 28, 2013.

Transaction Details:

On closing of the Transaction, the Company paid Oroco US\$4.5 million. The Company also issued to Oroco a promissory note in the principal amount of US\$1.5 million (the “First Loan”), with the principal amount of the First Loan bearing simple interest at a rate of 8% per annum and repayable in six equal monthly instalments of US\$250,000 each, commencing on the later of January 31, 2015 and the first day of the month following the date the Project achieves commercial production. Interest will accrue on the principal amount of the First Loan from the date of closing of the Transaction and will be payable quarterly in arrears, on a declining balance, however, the Company’s obligation to deliver such quarterly interest payments will be suspended until the Project achieves commercial production.

As additional consideration, upon closing of the Transaction, the Company issued to Oroco 5,500,000 common shares. The Company also issued to Oroco a promissory note in the principal amount of US\$4.125 million (the “Second Loan”), with the principal amount of the Second Loan bearing no interest and repayable on the second anniversary of the closing of the Transaction. The Company may elect at its sole discretion to repay the principal amount of the Second Loan in cash or by issuing to Oroco 16,500,000 common shares.

Additionally, the Company will pay Oroco a production royalty of up to a maximum of US\$90 per ounce of gold produced from the Project, for the greater of (i) the first 90,000 ounces of gold produced from the Project and (ii) all ounces of gold produced from the Project until the completion of five full years of commercial production. Further, the Company will also assume from Oroco the obligations and liability to pay a 2% net smelter return royalty on the Project.

Cerro Prieto – Project Status Update

Cerro Prieto is located in northern Sonora, Mexico within 150 kilometers of Goldgroup’s Cerro Colorado gold mine. The Company has been advancing the development of the Project. On August 8, 2013, the Company announced an updated National Instrument 43-101 (“NI 43-101”) Measured and Indicated and Inferred mineral resource estimate for the Project. Please refer to the NI 43-101 technical report prepared for the Company by Duncan Bain Consulting Ltd. and Giroux Consultants Ltd. titled “Report on the 2011-2012 Exploration Program including an Updated Resource Estimation on the Cerro Prieto Project, Magdalena de Kino Area, Sonora State, Mexico” dated June 10, 2013 and filed on SEDAR on August 8, 2013. Highlights of the NI 43-101 mineral resource estimate include:

- The Measured Mineral Resource category was comprised of 1.18 million tonnes grading 1.56 grams per tonne (g/t) gold, 30.28g/t silver, 0.15% lead and 0.33% zinc for a total of approximately 59,000 ounces of gold.

- The Indicated Mineral Resource category was comprised of 4.92 million tonnes grading 1.03g/t gold, 22.12g/t silver, 0.32% lead and 0.80% zinc for a total of approximately 163,000 ounces of gold.
- The Inferred Mineral Resource category was comprised of 5.025 million tonnes grading 0.75g/t gold, 20.62g/t silver, 0.49% lead and 1.28% zinc for a total of approximately 121,000 ounces of gold.
- The Company is pleased to announce that site construction and development efforts are well underway at the Project and include the following highlights:
 - Site access road capable of supporting heavy truck traffic.
 - Acquisition of process water by utilizing a well to drain the old mine workings.
 - Metallurgical lab and a column leach testing facility.
 - Construction of a trial leach pad, ponds and a Carbon Adsorption Plant.
 - Crushing and metallurgical testing to optimize recovery rates.
 - The Company intends to begin small-scale trial mining and leaching in the fourth quarter of 2013 in order to determine the ideal parameters to put the Project into production in 2014.

The Company wishes to make clear that it is not basing its production decision on a preliminary economic assessment demonstrating the potential viability of mineral resources or a feasibility study of mineral reserves demonstrating economic and technical viability, and as a result there is increased uncertainty and multiple technical and economic risks of failure which are associated with this production decision.

Loan Facility Status Update

Goldgroup is also pleased to announce that it has closed a CDN\$4.25 million senior secured loan facility (the "Loan Facility"), which was previously announced in a news release dated July 16, 2013. The proceeds from the Loan Facility have been applied to the closing of the Transaction. Under the Loan Facility, Goldgroup will pay 15% interest annually, with nine equal principal and interest repayment installments, commencing April 30, 2014 and ending December 31, 2014. The Loan Facility can be repaid at any time without prepayment penalty. The Loan Facility is secured by a first priority lien on all assets of the Company.

Keith Piggott, Chairman, President, CEO and Director commented: "We are excited about the developments to date at the Cerro Prieto gold project. As we begin slowly winding down mining operations at Cerro Colorado, we are successfully transitioning equipment and personnel from there to the Cerro Prieto project. Furthermore, with the project finance in place, we are able to move the Cerro Prieto project closer to gold production which we anticipate over the next twelve months."

About Goldgroup

Goldgroup is a 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 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,

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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 Cerro Prieto 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; 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 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.