



Goldgroup Provides Corporate Update

Vancouver, British Columbia (August 11, 2016) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) would like to provide a corporate update on four recent developments:

- I. Cascadia Goldfields Company Ltd. (“Cascadia”) paid its second tranche payment of CAD\$425,000 to Goldgroup
- II. Warrants exercised - proceeds of CAD \$821,720
- III. Paid off the Credipresto SAPI de CV SOFOM ENR (“Credipresto”) Facility balance
- IV. Oroco Resources Corp. (“Oroco”) Promissory Note Amendment

I) Cascadia’s second tranche payment to Goldgroup

Pursuant to the restructuring and sales agreement with Cascadia (see news release dated May 13, 2016), Cascadia has paid Goldgroup CAD \$425,000, which was due on August 1, 2016. Cascadia will be obligated to make the following payments:

Due date	Payment
May 3, 2016 (received)	CAD \$250,000 cash
August 1, 2016 (received)	CAD \$425,000 cash
October 31, 2016	CAD \$425,000 cash
December 30, 2016	CAD \$400,000 cash
December 31, 2017	CAD \$1,000,000 consists of CAD \$500,000 in equity of Cascadia; and a 2.5% NSR beginning on December 31, 2017 with a capped payment of CAD \$500,000.
Total	CAD \$2,500,000

II) Warrants exercised

Pursuant to the Company’s private placement in August 2014 (see news release dated August 12, 2014 and August 22, 2014), the Company is pleased to announce the receipt of the following cash proceeds received from warrants exercised:

Expiration date	Warrants outstanding	Exercise price CAD\$	Warrant exercised	Percentage of warrant exercised	Proceeds received by Goldgroup CAD\$
August 11, 2016	2,767,955	\$0.25	2,767,955	100%	\$691,988.75
August 22, 2016	961,056	\$0.25	482,925	50%*	\$120,731.25

*The Company expects majority of the warrants remaining will be exercised, resulting an additional cash proceeds of approximately CAD \$110,000.

III) Credipresto Facility (the “Facility”)

As at the date of this press release, the Company has fully paid off the Facility’s principal and interest. The current balance of the Facility is \$nil.

IV) Oroco Resources Corp. (“Oroco”) Promissory Note Amendment (“Amended Note”)

The Company further amends the payment terms of the outstanding promissory note pursuant to the Cerro Prieto property sale (see news release dated September 3, 2013 and September 29, 2015).

The following are the newly amended terms:

- i) CAD \$100,000 paid to Oroco upon execution of the Amended Note to settle the break fee under the previous promissory note terms (see September 29, 2015 news release)
- ii) US\$116,000 paid to Oroco to settle Oroco IVA payable outstanding upon execution of the Amended Note. The balance of the Oroco IVA payable would be \$nil upon payment.
- iii) US\$107,500 paid to Oroco towards the outstanding principal and interest of the Promissory Note.

The Amended Note will have the following payment schedule (“Payment Schedule”):

Date	Amount (US\$)
September 30, 2016	\$25,000
October 31, 2016	\$25,000
November 7, 2016	\$200,000
December 30, 2016	\$25,000
January 6, 2017	\$200,000
February 28, 2017	\$25,000
March 31, 2017	\$25,000
April 30, 2017	\$25,000
May 31, 2017	\$25,000
June 30, 2017	Remainder of balance

If Goldgroup fails to fulfill its obligation under the Payment Schedule:

- i) Goldgroup shall pay Oroco a break fee equal to US\$50,000; and
- ii) The new payment schedule will be revised to US\$75,000 payable at the end of each calendar month; and
- iii) The entire remaining principal balance and interest will be payable on June 30, 2017.

As at the date of this news release, the outstanding principal and interest of the Amended Note was approximately US\$798,700.

“Goldgroup has weathered the storm in these volatile times and successfully extinguished its significant debts and liabilities to strengthen the balance sheet,” said Keith Piggott, Chairman, President and CEO of Goldgroup, “Goldgroup would like to use this opportunity to thank our business partners, loyal shareholders and the Company’s employees for their support in this challenging economic environment. With a stronger balance sheet and positive cash flow from

Cerro Prieto, Goldgroup will continue to develop and de-risk its assets and look for growth opportunities in the marketplace.”

About Goldgroup

Goldgroup is a Canadian-based gold production, development, and exploration Company with a significant upside in a portfolio of projects in Mexico, including 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 Prieto heap-leach 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, with a view to 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 may 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.