



**FOR IMMEDIATE RELEASE**

**San José de Gracia Phase II Drilling Encounters 20.51 g/t Au Over 5.5 Meters**

June 11, 2010

TSX:GGA

**Vancouver, British Columbia (June 11, 2010)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) in coordination with DynaResource, Inc. located in Irving, Texas (“DynaUSA” – “DYNR-OTCBB”) is pleased to announce that it continues to intersect significant gold mineralization in the 15,000 meter Phase II diamond drilling program at the San José de Gracia project in Sinaloa, Mexico (“San José de Gracia”). In all, assay results from 200 drill holes were used in compiling the initial National Instrument 43-101 (“NI 43-101”) mineral resource estimate presented in the San José de Gracia Technical Report dated March 22, 2010 comprising the San Pablo, La Union and Tres Amigos veins and the La Purisima Trend. Peñoles drilled 11 short reverse circulation holes (SJG-92-001 to SJG-92-011) in 1992 targeting shallow mineralization and in 1997, Golden Hemlock drilled a further 64 core holes (SJG-97-01 to SJG-97-64). This was followed by 126 core holes drilled by DynaResource de Mexico S.A. de C.V. (“DynaMexico”) during 2007 and 2008 (SJG-07-01 to SJG-07-042 and SJG-08-043 to SJG-08-126). Significant results from the 1997 and 2007 to 2008 drilling were presented in the news release dated June 1, 2010.

Phase II drilling builds on the assay results from these 200 holes and will be used in updating the initial NI 43-101 mineral resource estimate. Significant assay results from the first 21 holes (SJG-09-127 to SJG-09-147) of this Phase II program are presented in the tables below.

<b>SAN PABLO VEIN</b>				
<b>Drill Hole</b>	<b>Mineralization</b>			
	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au grade (g/t)</b>
SJG-09-131	95.55	96.65	1.10	28.25
and	104.55	105.05	0.50	1.14
and	120.10	121.85	1.75	7.18
and	149.20	150.50	1.30	6.97
SJG-09-132	92.50	93.00	0.50	7.10
and	97.95	99.65	1.70	4.84
and	105.00	105.95	0.95	1.36
and	126.80	127.30	0.50	2.86
SJG-09-133	126.80	129.80	3.00	13.10
and	158.15	158.87	0.72	8.88
SJG-09-134	75.90	76.45	0.55	2.05
and	79.09	81.57	2.48	4.33
and	111.80	112.60	0.80	3.37
SJG-09-135	75.70	79.10	3.40	4.60
SJG-09-137	9.25	10.78	1.53	3.40
and	135.90	140.87	4.97	5.35
and	143.50	144.04	0.54	2.40
and	148.17	149.54	1.37	8.80
and	157.25	158.93	1.68	12.50
SJG-09-138	150.62	153.59	2.97	8.80
SJG-09-139	109.93	110.64	0.71	8.79
and	132.18	137.68	<b>5.50</b>	<b>20.51</b>
and	159.80	161.40	1.60	1.20

SJG-09-140	57.52	59.18	1.66	1.42
and	99.92	102.20	2.28	4.59

Of the 21 holes presented in this news release, 10 were drilled in the San Pablo zone with 9 of the holes intersecting mineralization in the main vein in excess of the 2.0 g/t Au cut-off grade used in estimating the inferred mineral resource presented in the Technical Report. Two of the holes, SJG-09-131 and SJG-09-137 intersected significant mineralization in two additional parallel veins below the main vein. Within the current global San José de Gracia mineral resource estimate, the San Pablo vein was estimated to contain 291,000 ounces of gold and 469,000 ounces of silver hosted in 1,023,000 tonnes grading 8.84 g/t Au and 14.26 g/t Ag. The grades from the 9 drill holes presented in the table above are consistent with the grades from the 22 drill holes used in estimating the existing NI 43-101 mineral resource. These 10 San Pablo zone holes represent the results of new drilling that have been received since the calculation of the initial mineral resource estimate and will be used in the estimation of an updated mineral resource expected to be completed following the termination of the entire 60 hole, 15,000 meter Phase II drill program.

LA UNION VEIN				
Drill Hole	Mineralization			
	From (m)	To (m)	Interval (m)	Au grade (g/t)
SJG-09-143	55.36	56.76	1.40	12.08
SJG-09-144	43.18	46.96	3.78	1.63

An additional 2 of the 21 holes presented in this release were drilled in the La Union zone and intersected significant mineralization. Within the current San José de Gracia global mineral resource estimate, the La Union vein was estimated to contain 91,000 ounces of gold and 252,000 ounces of silver hosted in 731,000 tonnes grading 3.89 g/t Au and 10.72 g/t Ag. These 2 La Union zone holes represent the results of drilling that have been received since the mineral resource estimate.

Of the other 9 holes that were drilled, 5 tested areas within close proximity to the Rosario South Mine. Results from 4 of these holes returned no significant values while drill hole SJG-09-128 intersected 1.5 meters of 1.42 g/t Au. The other 4 holes were drilled in the La Purisima Trend with 3 returning no significant values while drill hole SJG-09-141 intersected 1.95 meters of 1.0 g/t Au.

A complete summary of the assay results from drill holes SJG-09-127 to SJG-09-147 and a map of the San Pablo zone detailing the relative locations of the drill holes used in estimating the mineral resource, the Phase II drilling and proposed drilling have been posted on the Company's website under "Projects – San José de Gracia" at [www.goldgroupmining.com](http://www.goldgroupmining.com).

The Phase II drill program consists of 60 holes covering 15,000 meters and is aimed at expanding and upgrading the current global mineral resource estimate. To date, 55 of the 60 holes have been completed with the remaining holes expected to be completed by the end of June 2010. Assay results for a further 31 drill holes have been received, are being compiled, and are expected to be released shortly. Of these 31 holes, 17 have been drilled on the Tres Amigos zone with the other 14 holes distributed amongst the various veins.

The San José de Gracia District, covering 99,500 hectares, is 100% owned by DynaMexico. Goldgroup currently owns 25% of DynaMexico after completing the initial stages of its earn-in and has the right to earn an additional 25% (total of 50%) by spending approximately US\$6.5 million by March 15, 2011. Phase II drilling expenditures are being incurred in connection with the earn-in of the additional 25% of DynaMexico. The remaining interest in DynaMexico is owned by DynaUSA. San José de Gracia is a high-grade advanced exploration project hosting a NI 43-101 compliant mineral resource estimate contained in four separate veins: Tres Amigos, San Pablo, La Union area and the La Purisima trend. Historically, in excess of one million ounces of gold has been produced from the property from high-grade veins grading between 30.0 g/t Au to 60.0 g/t Au. Goldgroup and DynaUSA are targeting a mineral resource estimate capable of sustaining annual production of 100,000 ounces of gold from San José de Gracia.

### Assaying and Qualified Person

After project geologists logged and marked the core, technicians cut the individual lengths with a diamond saw, then tagged the bags and secured them with security clips. The samples were then trucked to Hermosillo, Mexico where Inspectorate America Corp. ("Inspectorate") crushed each sample to -150 mesh. The rejects remained with Inspectorate while the pulps were air couriered to Inspectorate's Richmond, BC, Canada facility and analyzed for gold by fire assay with Atomic Absorption ("AA") finish. Samples over 1.0 grams per tonne gold were re-run using fire assay with gravity finish. In addition, a 30 element Inductively Coupled Plasma ("ICP") analysis (aqua regia digest) was conducted on all samples. A QA/QC program was implemented as part of the sampling procedure for the drill program. One standard, one blank or one duplicate was inserted per group of 20 samples sent the laboratory. These standards were purchased commercially from Rocklabs Ltd. of Auckland, New Zealand. The San José de Gracia drill program is under the direct supervision of Kevin Sullivan, B.Sc., M.AusIMM, contracted by Mineras de DynaResource SA de CV, the operating entity at San José de Gracia, and the Company's Vice President, Exploration and a qualified person, as defined by NI 43-101. Mr. Sullivan has reviewed the technical information contained in this news release and reviewed the release.

## About Goldgroup

Goldgroup is a Canadian-based gold production and exploration company focused exclusively in Mexico, targeting growth in gold production, mineral resources, profitability and cash flow from a portfolio of production, development and exploration stage projects. The Company owns and operates the Cerro Colorado Gold Mine in Sonora, Mexico. All gold production is un-hedged and the Company expects to produce approximately 25,000 to 30,000 ounces of gold in 2010. The Company's portfolio of properties includes the Caballo Blanco project in Veracruz, the San José de Gracia high-grade underground project in Sinaloa and the El Porvenir project in Aguascalientes.

For further information on **Goldgroup**, please visit [www.goldgroupmining.com](http://www.goldgroupmining.com) or contact:

Keith Piggott, CEO

T: 604-682-1943

David Fry, Investor Relations

T: 778-330-2759

Michael Farrant, President

T: 416-278-4149



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*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 forecasted 2010 production at the Cerro Colorado mine of between 25,000 to 30,000 ounces of gold and regarding the Company's plans at the San Jose de Gracia property, including the targeted annual production of 100,000 ounces of gold. 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. Such factors include, without limitation: capital requirements, fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States and Mexico; price volatility in the spot and forward markets for commodities; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local governments in any country Goldgroup currently or may in the future carry on business; taxation; controls; regulations and political or economic developments in the countries in which Goldgroup does or may carry on business; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits, diminishing quantities or grades of reserves; competition; loss of key employees; additional funding requirements; actual results of current exploration or reclamation activities; changes in project parameters as plans continue to be refined; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance or inability to obtain insurance, to cover these risks) 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.*

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