



**FOR IMMEDIATE RELEASE**

## **Goldgroup sells El Porvenir for US\$25 Million**

**July 12, 2010**

**TSX:GGA**

**Vancouver, British Columbia (July 12, 2010)** – Goldgroup Mining Inc., TSX:GGA, (“Goldgroup” or the “Company”) is pleased to announce the sale of its 100% owned El Porvenir gold project in Aguascalientes, Mexico to the Frisco Group for US\$25.0 million. Of the US\$25.0 million sale proceeds, the sum of US\$1.7 million has been applied to discharge a royalty interest on the El Porvenir property held by a third party. The Frisco Group is the mining division of Grupo Carso, a Latin American conglomerate. The cash payment has been received and represents a net increase to the Company’s cash balances of \$0.27 per share based on 84,992,434 shares outstanding.

The proceeds will be used primarily to fund development of Goldgroup’s advanced stage properties, namely its flagship gold property, Caballo Blanco, in Veracruz Mexico and the San José de Gracia high-grade gold project in Sinaloa, Mexico.

This is the third significant business deal accomplished by the Company’s current management team in the past seven months; the first being the acquisition of Caballo Blanco from NGEx Resources Inc. and the second being the closing of the business combination between the Company and Goldgroup Resources Inc.

From a financing point of view, the El Porvenir divestiture is extremely significant, as it means the Company is no longer contemplating a \$20.0 million equity financing, which was to be lead by GMP Securities LP, as announced in a news release January 29, 2010.

Keith Piggott, Goldgroup’s CEO stated, “This transaction provides Goldgroup with a large non-dilutive financing capable of accelerating the Company’s pursuit of its targeted growth strategy of producing 200,000 ounces of gold annually within three years.”

Goldgroup is also pleased to announce the election of two new board members, Francisco (“Paco”) Escandon and Robert M. Byford at the Company’s annual general meeting which was held in Montreal on June 30, 2010. Julian Kemp did not stand for re-election and the board wishes to thank him for his years of dedicated service. Grant Thornton LLP was appointed auditors for the ensuing year.

Mr. Escandon was the Director in charge of the Consejo de Recursos Minerales, Mexico's national mining bureau for six years. His many years of exploration and mining experience will assist Goldgroup in fast-tracking its properties to production. Mr. Escandon is the Director of Operations for the Caballo Blanco project.

Mr. Byford is a former partner of KPMG LLP and was a Senior Vice President and Director of KPMG Corporate Finance. He brings a wide range of experience to our board in finance, acquisition and divestiture transactions across many industry sectors. He was also an elected Governor of the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange.

### **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 property portfolio includes the Caballo Blanco project in Veracruz, and the San José de Gracia high-grade gold project in Sinaloa.

Goldgroup is led by a team of highly successful and seasoned individuals with extensive expertise in exploration, corporate finance and mine development in Mexico.

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, Corporate Development  
T: 778-330-2759

Michael Farrant, President  
T: 416-278-4149



**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 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 forecast 2010 production at Cerro Colorado of between 25,000 to 30,000 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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