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**GOLDGROUP MINING INC. ANNOUNCES FILING OF
PRELIMINARY SHORT FORM PROSPECTUS**

VANCOUVER, BRITISH COLUMBIA--(February 10, 2011) - Goldgroup Mining Inc. (TSX:GGA) ("Goldgroup" or the "Company") is pleased to announce that it has filed a preliminary short form prospectus pursuant to which the Company proposes to complete an offering of 20 million common shares (the "Offering"). Dahlman Rose & Company, LLC and Canaccord Genuity Corp. are acting as joint book-running managers for the Offering along with Jennings Capital Inc. acting as co-manager.

The Company intends to use the net proceeds from the Offering to provide capital for the development of its flagship Caballo Blanco project in Veracruz, Mexico and for general corporate purposes.

The Company will grant the underwriters a 30-day option to purchase up to 3 million additional shares of common stock in the Offering to cover over-allotments, if any.

Final pricing of the Offering will be determined in the context of the market prior to the filing of the final short form prospectus in respect of the Offering. The common shares will be offered in Alberta, British Columbia and Ontario by way of a short form prospectus and other jurisdictions outside of Canada pursuant to applicable private placement exemptions.

Closing of the Offering is subject to certain conditions including, but not limited to, the execution of a definitive underwriting agreement with the managers, the receipt of conditional listing approval for the common shares to be sold under the Offering by the Toronto Stock Exchange and applicable regulatory approvals.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under any state securities laws and may not be offered or sold in the United States, absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About Goldgroup

Goldgroup is a Canadian-based gold producer and is focused on the acquisition, exploration and development of advanced stage gold-bearing mineral properties in the Americas. The Company's current gold production and exploration and development related activities are conducted exclusively in Mexico, one of the world's most advantageous mining jurisdictions. Goldgroup owns and operates the Cerro Colorado Mine in Sonora along with a property portfolio that includes its interests in the Caballo Blanco Project in Veracruz and the San José de Gracia Project in Sinaloa.

For further information on **Goldgroup** please visit www.goldgroupmining.com or contact:

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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 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 Company's plans in respect of its mineral resource properties. 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 currently or may in the future 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. 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.

This news release and the information contained herein does not constitute an offer of securities for sale in the United States and securities may not be offered or sold in the United States absent registration or exemption from registration.