



## **Goldgroup Receives Explosives Permit and Environmental Approval for Caballo Blanco**

**May 2, 2011**

**TSX: GGA**

**Vancouver, British Columbia (May 2, 2011)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) is pleased to announce that it has received its explosives permit and environmental approval for tunneling at the La Paila zone at its Caballo Blanco gold project in Veracruz, Mexico.

Two tunnels will be driven into the La Paila zone for better interpretation of the high-grade structures within the mineralized zone and also to extract large scale bulk samples for pilot metallurgical sampling to confirm the suitability of an open-cut, run-of-mine, heap-leach gold operation.

Keith Piggott Goldgroup's President and CEO said. "This is another important milestone. Together with our diamond drilling program and advanced on-site column leach testing, the granting of these approvals is in line with our schedule to commence production at Caballo Blanco in 2012."

### **About Caballo Blanco**

Goldgroup owns a 70% interest in Caballo Blanco. The remaining 30% interest is owned by Almaden Minerals Ltd. The Caballo Blanco project consists of a series of oxide gold zones located in the Veracruz province of eastern Mexico. The initial gold zone at Caballo Blanco is the La Paila prospect located within a cluster of high-sulphidation epithermal gold deposits referred to as the Northern Zone. The current estimated mineral resource for La Paila consists of 139,000 ounces of gold (6.7 million tonnes grading 0.65 g/t Au) contained in indicated resources and 517,000 ounces of gold (27.6 million tonnes grading 0.58 g/t Au) contained in inferred resources. This estimate was compiled from 32 diamond drill holes totaling approximately 7,000 metres completed by NGE Resources Inc. prior to Goldgroup's acquisition of its interest in the project from NGE in November, 2009. Other known gold zones at Caballo Blanco occur approximately 7 km to the southeast at the Highway Zone. These gold zones have yet to be drill tested.

### **QA/QC**

This news release has been prepared under the supervision of Mr. Kevin Sullivan, B.Sc. MAusIMM, and the Company's Vice President of Exploration who serves as the qualified person as defined by National Instrument 43-101 responsible for ensuring that the geological information in this release is accurate.

### **About Goldgroup**

Goldgroup is a well-funded Canadian-based gold production and exploration Company focused exclusively on 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. Goldgroup's property portfolio includes its interests in its flagship project,

Caballo Blanco in Veracruz and the San José de Gracia project in Sinaloa.

Goldgroup is lead 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, President & CEO  
T: 604-682-1943

David Fry, Corporate Development  
Toll Free: **1-877-655-ozAu** (6928)

#### 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 at the Caballo Blanco property. 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 statements are 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 statements, and are developed based on assumptions about such risks, uncertainties and other factors including, without limitation: fluctuations in precious and base metal prices; inherent hazards and risks associated with mining operations; inherent uncertainties associated with mineral exploration and development activities; uncertainties inherent in the estimation of mineral reserves and/or resources and precious metal recoveries; uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from Goldgroup's projects; uncertainties related to current global financial conditions; uncertainties related to the availability of future financing necessary to undertake exploration, development, mining and processing activities on Goldgroup's properties; Goldgroup's substantial reliance on its Cerro Colorado Mine for revenues; risks related to the planned expansion of the Cerro Colorado Mine; risks related to the continued operation and planned expansion of the Cerro Colorado Mine without a current economic analysis; risks related to the integration of businesses and assets acquired by Goldgroup; uncertainties related to the competitiveness of the mining industry; risks associated with Goldgroup being subject to government regulation, including changes in law and regulation and risks associated with Goldgroup's need for governmental licenses and permits; risks associated with Goldgroup being subject to extensive environmental laws and regulations, including a change in regulation; risks that Goldgroup's title to its property could be challenged; political and country risk; risk of water shortages and risks associated with competition for water; Goldgroup's need to attract and retain qualified personnel; increases in off-site transportation and concentrate processing costs; risks related to the need for reclamation activities on Goldgroup's properties, including the nature of reclamation required and uncertainty of costs estimates related thereto; risks associated with potential conflicts of interest; risks associated with potential labour disputes; and risks associated with potential blockades of mining operations 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.*

*The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient drilling and exploration to define a mineral resource. It is uncertain if further drilling and exploration will result in the target being delineated as a mineral resource.*