



**GOLDGROUP ANNOUNCES UPDATED MINERAL RESOURCE ESTIMATE
ON THE SAN JOSÉ DE GRACIA PROJECT**

VANCOUVER, BRITISH COLUMBIA - (November 23, 2011) - Goldgroup Mining Inc. (TSX:GGA) (“Goldgroup” or the “Company”) is pleased to announce that it has received the results of an updated mineral resource estimate on the San José de Gracia project (the “San José de Gracia Project”). This estimate follows up an initial mineral resource estimate completed by Jim Cuttle, P.Geo. and Gary Giroux, P.Eng of Giroux Consultants Ltd. in March 22, 2010. The update is based on an additional 172 drill holes which have been completed since the last estimate and is effective as of September 5, 2011.

The National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) compliant updated mineral resource estimate was prepared on four separate vein systems on the San José de Gracia Project, namely: Tres Amigos, San Pablo, La Union and La Purisima. The estimate includes an indicated resource at Tres Amigos of 913,000 tonnes grading 5.00 grams per tonne gold, or 147,000 ounces of gold, and an aggregate inferred resource at all four veins of 5,813,000 tonnes grading 5.16 grams per tonne gold, or 963,000 ounces gold. The table below presents the updated mineral resource estimate for each of the four veins. The calculations have been completed with a gold cut-off grade of 2 grams per tonne (“g/t”) highlighted as a possible cut-off for underground extraction. At this time there is insufficient drill data to determine semivariograms on the La Union and La Purisima domains and too few blocks estimated in pass 1 and 2 on the San Pablo to classify any of this resource as measured or indicated.

Keith Piggott, President and CEO of Goldgroup, stated, “We are very pleased with the results of the completed 21,000 metre drilling program, which substantially increases the gold resources at San José de Gracia.”

Mineral Resource Classifications for the San José de Gracia Project

Vein	Year	Cut-off Au (g/t)	Class	Tonnes > Cut-off (tonnes)	Grade > Cut-off				Million Ozs. Au	Million Ozs. Ag
					Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)		
Tres Amigos	2009	2.00	Indicated	0	-	-	-	-	-	-
	2011	2.00	Indicated	913,000	5.00	10.72	0.21	0.54	0.147	0.315
Tres Amigos	2009	2.00	Inferred	600,000	4.13	9.19	0.19	0.69	0.080	0.177
	2011	2.00	Inferred	1,811,000	5.16	10.62	0.25	0.41	0.300	0.618
San Pablo	2009	2.00	Inferred	1,023,000	8.84	14.26	0.28	0.06	0.291	0.469
	2011	2.00	Inferred	1,827,000	6.49	12.80	0.29	0.04	0.381	0.752
La Purisima	2009	2.00	Inferred	1,087,000	4.48	6.01	0.07	0.09	0.157	0.210
	2011	2.00	Inferred	1,266,000	4.01	5.31	0.08	0.06	0.163	0.216
La Union	2009	2.00	Inferred	731,000	3.89	10.72	0.29	0.07	0.091	0.252
	2011	2.00	Inferred	909,000	4.06	11.37	0.17	0.04	0.119	0.332
All Veins	2009	2.00	Inferred	3,441,000	5.59	10.02	0.20	0.18	0.618	1.109
	2011	2.00	Inferred	5,813,000	5.16	10.26	0.21	0.16	0.963	1.917

The San José de Gracia property is located in the northeast portion of Sinaloa State, Mexico, approximately 120 kilometres east northeast of the coastal city of Los Mochis. The mineral claim block covers an area of 69,121 hectares (170.801 acres) and is 100% owned by DynaResource de Mexico S.A. de C.V. (“DynaMexico”), a Mexican company of which Goldgrub owns 50% and DynaResource Inc. (“DynaUSA”), a Delaware company, owns the other 50%.

The updated mineral resource estimate for the San José de Gracia Project has been prepared by Jim Cuttle, P.Geo. and Gary Giroux, P.Eng of Giroux Consultants Ltd., each an independent qualified person under NI 43-101. An NI 43-101 compliant technical report containing the updated mineral resource estimate will be filed on SEDAR (www.sedar.com) within 45 days of the date of this news release. Messrs. Cuttle and Giroux have reviewed and approved the contents of this news release.

Key Assumptions, Parameters and Methods Used to Estimate the Mineral Resource

The database for the San José de Gracia Project consisted of 372 drill holes of which 361 were diamond drill holes and the remaining 11, drilled in 1992, were reverse circulation holes totalling a combined 75,878 m. Of the 372 drill holes, 368 were drilled to test the four vein systems. The remaining four holes tested the Z Argilica vein. Project geologists contracted by Mineras de DynaResource, S.A. de C.V. built three dimensional solids to constrain each vein system as shown below. The 172 additional holes drilled in 2010 and 2011 are located as follows: La Purisima (32 holes), La Union (24 holes), San Pablo (49 holes), Tres Amigos (64 holes) and Z Argilica (3 holes).

Pairwise relative semivariograms were used to model each variable within each vein where possible. The average strike and dip for the veins were used to model the variables. The Tres Amigos and San Pablo veins had enough composites to develop models. In each case anisotropic nested spherical models were fit to each variable. For the La Union and La Purisima veins, where there were too few composites to determine a model, the Tres Amigos model was used but the directions for the structures were modified to fit the strike and dip of the La Union and La Purisima veins respectively. In the area outside the veins nested spherical isotropic models were fit to all variables.

A total of 5,540 pieces of core were measured for specific gravity using the weight in air versus weight in water method. The average specific gravity of 5,051 wall rock samples is 2.59 while the average for 489 samples of vein material is 2.68. A specific gravity of 2.59 was applied to all estimated material outside the veins. Since specific gravity and bulk density are related to sulphide content the samples from the veins were sorted by combined Cu + Zn + Pb grades. The range of specific gravities seemed to match well with the increasing sulphide content so the specific gravity applied to vein material was based on the estimated Cu + Zn + Pb grade.

Ordinary Kriging was used to interpolate grades for the five variables into all blocks with some percentage inside the four vein system solids.

A single block model with blocks 10 x 10 x 5 m in dimension was superimposed over the four vein systems with the percentage of each block within the various vein solids and the percentage below surface topography recorded. Where possible, the underground workings on the San Pablo vein have been digitized with a 3D solid formed. The percentage of each block within underground workings has been determined and subtracted from the percentage within vein material for tonnage calculation.

Data Verification

Mr. Cuttle visited the San José de Gracia Project in May 2009 and Mr. Giroux visited the project in May 2011. In 2009, a total of five rock samples were collected by Mr. Cuttle including three rock samples of quartered core and two chip samples from underground workings from drill holes at Tres Amigos and San Pablo. These rocks were hand delivered to Acme Labs of Vancouver for analysis. Based on the results from Acme Labs, the author suggests that the

five check samples support the fact that gold mineralization can be verified from five ‘point’ locations, in two areas namely Tres Amigos and San Pablo.

During the property visit Mr. Cuttle was able to verify locations of several surface drill collars as well as check different drill holes from San Pablo and Tres Amigos veins for consistency of general rock descriptions and sample assay locations. In addition to the quality control programs already in practice, the author requested 350 drill core pulps be sent to ALS Chemex Labs for assay checks. Results from this study show an acceptable degree of correlation between new assays from Chemex and the original assays from IPL Labs and Inspectorate Labs.

Known Legal, Political, Environmental and Other Risks

The potential development of the San Jose de Gracia Project will be subject to, and could be materially affected by, legal, political, environmental and others risks associated with mineral exploration projects in Mexico, including:

- any inability to reach an agreement with the other 50% shareholder of DynaMexico, DynaUSA, with respect to major development decisions;
- cancellation or renegotiation of contracts;
- changes in foreign laws or regulations;
- changes in tax laws;
- royalty and tax increases or claims by governmental entities;
- retroactive tax or royalty claims;
- expropriation or nationalization of property;
- inflation of costs that is not compensated by a currency devaluation;
- restrictions on the remittance of dividend and interest payments offshore;
- environmental controls and permitting;
- risks of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism; and
- other risks arising out of foreign sovereignty over the areas in which Goldgroup’s operations are conducted.

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. Goldgroup’s property portfolio includes its 100% ownership of the flagship Caballo Blanco project in Veracruz and the Cerro Colorado Gold Mine in Sonora, as well as its 50% ownership of the San José de Gracia project in Sinaloa, Mexico.

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 or contact:

Keith Piggott, President & CEO

T: 604-682-1943

Stephanie Batory, Investor Relations Manager

T: 1-877-655-6928

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 San José de Gracia 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: risks associated with the Company’s lack of control over the San José de Gracia property due its interest being indirect through its ownership of 50% of DynaMexico, the other 50% of which is owned by a third party; 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. 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.