



## Goldgroup Announces Additional Positive Drill Results at Caballo Blanco

**DDH 11 CBN 142: 69.60 m @ 0.97 g/t Au**  
**DDH 11 CBN 143: 93.90 m @ 0.77 g/t Au**  
**DDH 11 CBN 145: 75.85 m @ 0.65 g/t Au**

**Vancouver, British Columbia (January 12, 2012)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) is pleased to announce that additional drill holes at the Company’s 100%-owned Caballo Blanco gold project in Veracruz, Mexico have yielded significant gold intercepts, expanding the La Paila oxide gold zone to the southwest. All ten drill holes reported below (see Tables 1 and 2 and the drill hole location map) are part of the ongoing diamond drilling program to define and to expand the southwestern flank of the La Paila Zone, as the zone currently remains open in this direction.

Keith Piggott, President and CEO of Goldgroup, stated, “All of these diamond drill results at the La Paila Zone yielded significant gold intercepts above the cut-off grade, which are contained in completely oxidized, vuggy and siliceous rock occurring within and peripheral to the zone. These results continue to give better definition to the design of the first open pit. As planned, the 2011 drilling program was completed on December 18, 2011. In 2012, the Company is planning a drill program of up to 30,000 metres to further delineate the Caballo Blanco mineral resource.”

The Company focused its 2011 drilling program primarily on the La Paila Zone, specifically with the objectives of designing the first open pit and updating the current NI 43-101 mineral resource estimate for Caballo Blanco, which is expected to be released in the first quarter of 2012. In addition, in-house and consultant engineering have significantly advanced Goldgroup’s column leach testing in its large on-site facility and progressed leach pad and carbon recovery plant design. The drilling and infrastructure work, combined with the anticipated upcoming updated NI 43-101 mineral resource estimate, will form the basis of a preliminary economic assessment (PEA) expected to be completed on the Caballo Blanco project in the first quarter of 2012. The current drilling program, together with the on-going column-leach metallurgical testing, environmental and sociological studies as well as the run of mine heap-leach pad design and other engineering, form the basis for targeting to bring Caballo Blanco into production by 2012 year-end.

As part of Goldgroup’s 2012 drilling program, the Company expects to continue drill testing in the La Paila Zone, in addition to drill testing a number of geochemical and geophysical targets in the large Northern Zone ring structure beyond the La Paila Zone. In addition, the Company intends to drill targets in the Highway Zone, which is located approximately seven kilometres to the southeast of the Northern Zone.

**Table 1. Drill-Hole Results for the Caballo Blanco Project, Mexico**

<b>DIAMOND DRILLING - LA PAILA ZONE</b>				
<b>Diamond Drill Hole</b>	<b>Mineralization</b>			
	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au grade (g/t)</b>
11 CBN 140	28.50	40.50	12.00	0.21
And	56.50	90.50	34.00	0.41
And	104.50	127.50	23.00	0.30
And	157.05	172.70	15.65	0.64

<b>DIAMOND DRILLING - LA PAILA ZONE - Continued</b>				
<b>Diamond Drill Hole</b>	<b>Mineralization</b>			<b>Au grade (g/t)</b>
	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	
And	204.80	241.50	36.70	0.47
11 CBN 141	78.50	100.50	22.00	0.40
And	254.50	304.50	50.00	0.58
11 CBN 142	75.90	145.50	69.60	0.97
11 CBN 143	71.30	165.20	93.90	0.77
11 CBN 144	108.90	138.38	29.48	0.35
11 CBN 145	105.70	181.55	75.85	0.65
And	201.95	211.50	9.55	0.64
And	225.05	231.05	6.00	0.31
And	241.05	256.50	15.45	0.37
11 CBN 146	201.50	239.50	38.00	0.44
11 CBN 147	87.78	151.50	63.72	0.46
And	185.50	189.50	4.00	0.24
And	211.50	215.50	4.00	0.27
And	223.50	246.00	22.50	0.27
And	258.00	268.00	10.00	0.28
And	274.00	279.90	5.90	0.20
11 CBN 148	246.85	262.85	16.00	0.42
11 CBN 149	76.50	96.50	20.00	0.50
And	112.50	200.75	88.25	0.49

For a drill hole location map, click [here](#).

All of the holes presented above intersected gold mineralization in excess of the 0.2 g/t Au cut-off grade used in the current Caballo Blanco NI 43-101 technical report which is available on SEDAR. However, it is expected that as a result of favourable leach kinetics, recovery and ease of mining, a lower cut-off grade may be applicable.

A complete summary of the assay results from diamond drill holes DDH 11 CBN 140 to DDH 11 CBN 149, as well as a drill-hole location map of the La Paila Zone detailing the relative locations of the drill holes will be posted on Goldgroup's website at [www.goldgroupmining.com/s/caballoblanco.asp](http://www.goldgroupmining.com/s/caballoblanco.asp).

**Table 2. Drill Hole Location Data, Caballo Blanco Project, Mexico**

<b>DD Hole Number</b>	<b>East UTM Coord (metres)</b>	<b>North UTM Coord (metres)</b>	<b>Elevation (m.a.s.l)</b>	<b>Azimuth (degrees)</b>	<b>Plunge (degrees)</b>	<b>Total Length (metres)</b>
11 CBN 140	768305	2184089	497	090	-70	241.5
11 CBN 141	768167	2184193	536	000	-90	338.0
11 CBN 142	768330	2184201	488	090	-75	256.5
11 CBN 143	768319	2184298	489	090	-45	250.5

DD Hole Number	East UTM Coord (metres)	North UTM Coord (metres)	Elevation (m.a.s.l)	Azimuth (degrees)	Plunge (degrees)	Total Length (metres)
11 CBN 145	768212	2184195	515	090	-75	268.5
11 CBN 146	768218	218409	543	000	-90	319.5
11 CBN 147	768213	2184297	511	090	-60	290.5
11 CBN 148	768270	2184549	505	090	-65	314.5
11 CBN 149	768307	2184060	497	090	-60	253.5

m.a.s.l = metres above sea level; Coord = Coordinate; na = not applicable

## About Caballo Blanco

Goldgroup owns 100% of the Caballo Blanco gold project which consists of a series of oxide gold zones located in the State of Veracruz in eastern Mexico. The principal known gold zone at Caballo Blanco is the La Paila prospect located within a cluster of high-sulphidation epithermal alteration zones referred to as the Northern Zone. The current NI 43-101 mineral resource estimate for the La Paila Zone was compiled from 32 diamond drill holes totalling approximately 7,000 metres completed by NGEEx Resources Inc., prior to Goldgroup's acquisition of its interest in the project in November 2009. This mineral resource estimate consists of 139,000 ounces of gold (6.7 million tonnes grading 0.65 g/t Au) contained in the category of indicated resources and 517,000 ounces of gold (27.6 million tonnes grading 0.58 g/t Au) contained in the category of inferred resources.

Subsequently, Goldgroup diamond drilled an additional 120 holes at the La Paila Zone in 2011 and received assays for 80 holes totalling approximately 30,000 metres. These drill holes are expected to be used to update the NI 43-101 mineral resource estimate in the first quarter of 2012.

Other known gold zones at Caballo Blanco occur to the northeast of the La Paila Zone and approximately seven kilometres to the southeast of the Highway Zone. These gold zones together with geophysical anomalies in the Northern Zone ring structure are expected to be drill tested.

## 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 collected by ALS Minerals and transported to their Guadalajara preparation facility where they were dried and crushed to -2mm. A 250 gram split of the coarse material was then pulverized to -200 mesh. The rejects remained at the prep facility and the pulps were air couriered to ALS Minerals North Vancouver facility and analyzed for gold by 30g fire assay with an AA finish. In addition, a 35 element ICP analysis 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 ten samples sent to the laboratory. The information in this news release has been approved by **Marc Simpson, P. Geo.**, the Company's Qualified Person under National Instrument 43-101 standards.

## About Goldgroup

Goldgroup is a well-funded Canadian-based gold production and exploration Company with significant upside in a portfolio of projects in Mexico, including its flagship 100%-owned advanced stage gold development project, Caballo Blanco, in Veracruz, and the 50%-owned high grade gold exploration project, San José de Gracia, in Sinaloa. The Company operates the 100%-owned Cerro Colorado gold mine in Sonora, Mexico.

Goldgroup is led by a team of highly successful and seasoned individuals with extensive expertise in mine development, corporate finance, and exploration in Mexico. Goldgroup's mission is to grow gold production, mineral resources, profitability and cash flow, building a leading gold producer in Mexico.

For further information on **Goldgroup**, please visit [www.goldgroupmining.com](http://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 at the Caballo Blanco project. 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. The true widths of the intercepts disclosed in this news release are unknown at this time.*