



Goldgroup Responds to Mexican Newspaper Articles

Vancouver, British Columbia (February 28, 2012) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) is responding to recent unconfirmed Mexican newspaper articles quoting certain statements by the Governor of the State of Veracruz on the environmental permitting regarding Goldgroup’s Caballo Blanco project. Goldgroup has not been directly contacted by, or been in communication with, any State officials in relation to the statements recently reported.

As observed by the Governor of the State of Veracruz in the aforementioned newspaper articles, mining operating permits are a matter under the jurisdiction of the Federal Government of Mexico. Goldgroup filed its environmental impact statement with the Federal Government of Mexico in December 2011 and continues to work with all government authorities to advance the permitting process.

Keith Piggott, President and CEO of Goldgroup, stated, "We agree with the reported comment by the Governor of the State of Veracruz that our project should be designed with the welfare of all stakeholders in mind. The Federal Government has not denied our mining operating permit and we continue to work closely with all stakeholders of the Caballo Blanco project to create a sustainable mining operation for all parties involved. Our current work program at Caballo Blanco is being conducted under already issued Federal permits and is not affected by the current permitting process. We will continue to be in discussions with, and take into consideration the views of, both the Federal and State Governments in Mexico to continue to move our mining project forward."

About Caballo Blanco

Goldgroup owns 100% of the Caballo Blanco gold project which consists of a series of fully oxidized gold zones located in the State of Veracruz in eastern Mexico. The property consists of fourteen mineral claims covering an area of 54,732 hectares. Two large areas of epithermal gold mineralization have been discovered within the current Caballo Blanco property, referred to as the Northern Zone and Highway Zone. Both are prominent high-sulphidation, epithermal gold prospects that occur within extensive areas of clay and silica alteration. The gold is fine and occurs within a vuggy and brecciated silica alteration of an original Andesite host rock in the upper levels of the surrounding epithermal system.

The principal known gold zone at Caballo Blanco is the La Paila Zone located within the Northern Zone, a cluster of high-sulphidation epithermal alteration zones. The La Paila Zone is located on the northern portion of a large 'magnetic high' ring structure that measures approximately three kilometres in diameter. At least four other large IP resistivity high anomalies occurring here, with similar silica alteration to La Paila, are identified along the inner flanks of this magnetic feature.

To date, 142 holes have been drilled at the Caballo Blanco project by Goldgroup. Of these holes, 19 were reverse circulation holes, seven were holes drilled outside the La Paila Zone within the Northern Zone, and four were unassayed as of the date of the NI 43-101 Technical Report released February 16, 2012, resulting in a total of 112 holes incorporated into the updated NI 43-101 mineral resource estimate.

Goldgroup has now received assays for the remaining four drill holes from its 2011 drill program, which will be included with 2012 drilling results in a future updated NI 43-101 mineral resource estimate.

About Goldgroup

Goldgroup is a well-funded Canadian-based gold production, development, 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 the state of Veracruz, and the 50%-owned high grade gold exploration project San José de Gracia in the state of Sinaloa. The Company also operates its 100%-owned Cerro Colorado gold mine in the state of Sonora.

Goldgroup remains in a flexible financial position with a strong cash balance, no debt and no gold hedging. The Company 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 increase 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

On behalf of the Board of Directors

Keith Piggott, President & CEO

Tel: 604-682-1943

Stephanie Batory, Investor Relations

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 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. 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.