



## **Goldgroup Provides Update on Environmental Permitting Status at Caballo Blanco**

**Vancouver, British Columbia (March 19, 2012)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) has received its first set of written comments on its primary environmental permit for mining, the Environmental Impact Statement (“EIS”), at the 100%-owned Caballo Blanco gold project, from the Secretaría de Medio Ambiente y Recursos Naturales (“SEMARNAT”), also known as the Ministry of Environment and Natural Resources. The EIS was submitted by Goldgroup to SERMANAT on December 16, 2011. SEMARNAT, which acts as the federal environmental regulatory agency in Mexico, provided its first written response to Goldgroup in line with the typical response time of 60 working days.

Goldgroup currently holds all of the required permits in place for current exploration and mining development activities at the Caballo Blanco site.

The first set of comments in from SEMARNAT in regards to Goldgroup’s EIS application were received by the Company on March 13, 2012. The comments requested more information on risk mitigation, along with environmental protection and rehabilitation, of several aspects of the proposed mining operations. In proactively addressing all of the comments from SERMANAT, Goldgroup will continue to ensure that the best interests of all stakeholders are factored into the development process of the project.

Goldgroup expects to provide a detailed written response to SEMARNAT to sufficiently satisfy their queries within the required 60 day response time. Following the receipt of the written response from Goldgroup, SEMARNAT will review the application a second time to determine the status of permitting, including possible required further clarification. This form of federal regulatory response is standard procedure in the environmental permitting process in the majority of established mining jurisdictions, including Mexico. The EIS is required for the commencement of plant construction and mining activities.

### **Caballo Blanco Project Update**

In the approximately two years in which Goldgroup has been operating the Caballo Blanco project, the Company has been working with the local communities in various corporate social responsibility programs to benefit health, education and infrastructure. Moreover, 915 employment applications have been received by the Company for approximately 350 direct jobs that Caballo Blanco will generate once in production.

In response to the recent permitting developments, Keith Piggott, President & CEO of Goldgroup, stated the following: “Goldgroup’s corporate mandate is to meet or exceed all environmental standards. In the Company’s opinion, the commencement of gold production, while fully respecting the environment, is the optimal approach to maximize value for all stakeholders. Caballo Blanco is anticipated to be a highly sustainable gold project with significant upside exploration potential outside of the La Paila Zone, which will be a key focus of the 30,000 metre drill program in 2012. Further details of the mining operations at

Caballo Blanco will be highlighted in the upcoming preliminary economic assessment. We are working diligently to achieve our goal of 100,000 ounces of annual gold production in 2013.”

### **About SEMARNAT**

Secretaría de Medio Ambiente y Recurso Naturales (“SEMARNAT”) is the federal environmental regulatory agency in Mexico. Created in 2000 by former Mexican President Ernesto Zedillo Ponce de Leon, SEMARNAT’s primary mandate is the following: “Promote the protection, restoration and preservation of ecosystems, natural resources and environmental goods and services, to encourage their use and sustainable development.”

For further information on the permitting process in Mexico, please visit the SEMARNAT website at [www.semarnat.gob.mx](http://www.semarnat.gob.mx).

### **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](http://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](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.*