



Goldgroup Announces Tunnel Assays Confirming Drilling Results at Caballo Blanco

- 49 metres of 1.13 g/t gold
- 28 metres of 1.26 g/t gold

Update on Guidance Regarding the Release of the Preliminary Economic Assessment

Vancouver, British Columbia (March 29, 2012) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) is pleased to announce further assay results from the continuation of underground tunnel development at the Company’s 100%-owned Caballo Blanco gold project in Veracruz, Mexico. Both the main tunnel and a new crosscut tunnel to the west of the main tunnel continue to encounter mineralized, massive and brecciated massive silica. Assay results from the channel sampling in the main tunnel returned 49.40 metres of 1.13 g/t gold and 28.25 metres of 1.26 g/t gold from channel sampling in the crosscut tunnel. The average gold grades of the mineralized zones in the tunnel continue to correspond well with the grades of the drill holes completed in the area surrounding the tunnel. These results provide indirect confirmation for a robust resource model, serving to de-risk the Caballo Blanco project.

Goldgroup expects to release initial results of its Preliminary Economic Assessment (“PEA”) for Caballo Blanco in mid-April. Goldgroup has received delivery of a draft PEA report, but is still awaiting final determination of a few key parameters before the results can be issued. The completion of the Caballo Blanco PEA, the first such report in the history of Goldgroup, represents a significant milestone for the Company. The PEA report will provide details of the operational and financial nature of the project.

Tunnel Results

The main tunnel and west crosscut tunnel at the La Paila Zone are being driven to collect bulk-sample material for ongoing metallurgical test work. The tunnelling also provides direct access to the mineralized zone allowing the Company to enhance its understanding of the geological and geotechnical characteristics of the mineralization at the La Paila Zone. Since the previous tunnel news release dated February 27, 2012, the main tunnel has advanced an additional 49 metres to a total length of approximately 225 metres. A new crosscut tunnel to the west of the main tunnel has been driven 28 metres to date.

The results disclosed today from the current tunnel sampling are outlined in the table below:

Tunnel Assay Results

Main Tunnel							
Channel Samples				Blast Samples			
From (m)	To (m)	Interval (m)	Gold Grade (g/t)	From (m)	To (m)	Interval (m)	Gold Grade (g/t)
42.15	91.55	49.40	1.13	42.15	91.55	49.40	1.04

Crosscut Tunnel							
Channel Samples				Blast Samples			
From (m)	To (m)	Interval (m)	Gold Grade (g/t)	From (m)	To (m)	Interval (m)	Gold Grade (g/t)
0	28.25	28.25	1.26	0	28.25	28.25	1.17

For a detailed plan of the La Paila tunnels, click [here](#).

The tunnel plan linked above shows the sample intervals and average gold grades for both the channel and blasted material samples together with drill-hole traces in the vicinity of the tunnel, with assays plotted 2.5 metres above and below the 485-metre level. For a map showing the assay results issued prior to those announced in this press release, please see the news release dated February 27, 2012.

The tunnel was collared at an elevation of 485 metres above sea level, approximately 115 metres vertically below the highest point of the hill at the La Paila Zone. The tunnel has dimensions of approximately 2.5 metres wide by 2.8 metres tall and is being driven horizontally northeast at 25 degrees, approximately in-line with the interpreted strike of the La Paila mineralized zone. In addition, one crosscut tunnel has been completed while the second westward crosscut tunnel is ongoing. The target of these crosscut tunnels is an inferred higher-grade structure along the western margin of the mineralized zone.

As expected, the main tunnel initially encountered approximately 20 metres of non-mineralized andesite before passing into the mineralized zone at La Paila. Gold mineralization is predominantly hosted by vuggy silica, massive silica, and brecciated massive silica. All tunneling completed to date beyond the andesite has been within the La Paila mineralized zone.

The tunnel is advancing by drilling and blasting rounds of approximately 1.5 metres in length. The blasted material is removed using a mechanical scoop and divided into mineralized and non-mineralized storage piles near the tunnel entrance. After each blast, channel samples are cut using a diamond blade equipped rock saw in both the east and west walls, in addition to the ceiling of the tunnel. Representative samples are also taken from the material generated from each blast.

The three channel samples from the sides and roof of the tunnel are assayed separately, with the results averaged together to arrive at the grade for each channel sample interval. The representative samples from the blast material for each blast are also assayed separately with the results averaged together to arrive at the grade for the blast material interval. The channel samples from the walls and ceiling are considered to be more representative of the tenor of mineralization due to the difficulty of taking representative samples from the large piles of blasted material.

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 Caballo Blanco property, referred to as the Northern Zone and Highway Zone. Both zones 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 induced polarization (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, 168 holes have been drilled by Goldgroup at the Caballo Blanco project. 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 current Caballo Blanco Technical Report dated effective February 7, 2012, resulting in a total of 112 holes incorporated into the current Caballo Blanco mineral resource estimate.

Assaying and Qualified Person

The channel samples and blast material samples were collected and bagged separately with unique identification for each sample. 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 were stored at the prep facility and the pulps were air couriered to the ALS Minerals North Vancouver facility and analyzed for gold by 30 g fire assaying 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 tunneling program. Standard and blank were regularly inserted into the sample stream. Goldgroup's QAQC program is supplemental to the internal laboratory QAQC program. 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, 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

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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. 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.