



Goldgroup Announces Financial Results for the Year Ended December 31, 2011

Vancouver, British Columbia – (March 30, 2012) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA) has filed its audited financial results for the year ended December 31, 2011. The consolidated financial statements along with management’s discussion and analysis are available on SEDAR at www.sedar.com and on the Company’s website at www.goldgroupmining.com. All currency references are in United States dollars, unless otherwise noted.

2011 Highlights

- During the first quarter of 2011, the Company met the required aggregate property related expenditures of \$12,000,000 to complete its 70% earn-in interest on the Caballo Blanco project.
- On March 10, 2011, the Company completed a short-form prospectus financing of 28.75 million common shares at a price of C\$1.40 per share, for aggregate gross proceeds C\$40,250,000.
- On March 14, 2011, the Company completed its earn-in/option agreement with DynaResource de Mexico S.A. de C.V. (“DynaMexico”) for its 50% equity interest on the San José de Gracia project by reaching the expenditure funding requirement of \$18,000,000.
- On November 23, 2011, the Company announced an updated Technical Report for the San José de Gracia project, dated effective September 5, 2011, which significantly increased the Company’s mineral resource estimate at San José de Gracia. 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 of gold, representing an increase of 56% from the last mineral resource estimate.
- On October 14, 2011, the Company acquired the remaining 30% interest in the Caballo Blanco project held previously by Almaden Minerals Ltd. Goldgroup now owns 100% of the Caballo Blanco project.
- The Company incurred mineral expenditures of \$32,121,245 at Caballo Blanco, which includes acquisition costs of \$19,049,197, drilling costs of \$6,467,394, and other exploration and project development costs of \$6,604,654.
- The Company completed 32,345 metres of diamond drilling on the La Paila Zone at Caballo Blanco.
- The Company recorded an impairment charge of \$8,600,000 on the Cerro Colorado mine. In the process of preparing an updated Technical Report for the Cerro Colorado mine, it was determined that the remaining in-pit resource which is being mined at Cerro Colorado is less than previously estimated, and it is currently expected that at current production rates and production costs, the estimated remaining life of the in-pit resource will be reduced to approximately 18 months, as of January 1, 2012. An updated Technical Report is expected to be released in the second quarter of 2012.

Subsequent Developments - 2012 Highlights

- The Company produced an updated technical report on the 100%-owned Caballo Blanco gold project dated February 17, 2012 based on drilling completed in 2010 and 2011. Based on a 0.2 g/t Au cut-off grade, the Company's indicated mineral resource estimate at the La Paila Zone at Caballo Blanco grew by 314% compared to the prior technical report (dated March 22, 2010), from 139,000 to 575,000 ounces of gold (28.9 million tonnes grading 0.62 g/t Au). The inferred mineral resource estimate summed to 419,000 ounces of gold (24.0 million tonnes grading 0.54 g/t Au).
- The Company expects to release its preliminary economic assessment study on the Caballo Blanco project in the second quarter of 2012.

Summary of Financial Results

<i>(Expressed in 000's)</i>	12 months ended December 31,	
	2011	2010 ^(b)
Metal sales	\$31,219	\$16,877
Cost of sales ^(a)	23,623	14,484
Depreciation and depletion	2,434	1,913
Gross margin	5,162	480
Other expenses (income):		
Administrative expenses	6,777	6,297
Gain on sale of property	-	(16,787)
Share of equity loss in DynaMexico	294	128
Impairments and write-offs	9,691	22,152
Other expenses	3,250	1,227
	20,012	13,017
Loss before income taxes	(14,850)	(12,537)
Provision for income taxes (recovery):		
Current	1,968	2,347
Future	142	(1,666)
Net loss for the period	\$(16,960)	\$(13,218)
Loss per share – basic and diluted	\$(0.15)	\$(0.16)

(a) Cost of sales excludes depreciation and depletion

(b) Only the results from May 1, 2010 to December 31, 2010 are included in the financial results for 2010

Statement of Financial Position

<i>(Expressed in 000's)</i>	As at December 31,	
	2011	2010
Cash and cash equivalents	\$23,313	\$12,654
Other current assets	9,738	6,996
Investment in DynaMexico	18,099	14,390
Exploration and Evaluation properties	51,048	19,795
Other non-current assets	7,056	15,000
TOTAL ASSETS	109,254	68,835
Current liabilities	2,588	3,307
Non-current liabilities	6,768	7,896
TOTAL LIABILITIES	9,356	11,203
Total Equity	99,898	57,632
TOTAL EQUITY AND LIABILITIES	109,254	68,835

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

On behalf of the Board of Directors,

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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 considered "forward-looking information" (within the meaning of applicable Canadian securities law) and "forward-looking statements" (within the meaning of the United States Private Securities Litigation Reform Act of 1995). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information. 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 its mineral projects. 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 information is 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 information, and are developed based on assumptions about such risks, uncertainties and other factors including, without limitation: uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from Goldgroup's projects; uncertainties associated with development activities; uncertainties inherent in the estimation of mineral resources and precious metal recoveries; risks related to the continued operation of the Cerro Colorado mine without a current economic analysis; risks related to the planned expansion of the Cerro Colorado mine; uncertainties related to current global economic conditions; fluctuations in precious and base metal prices; uncertainties related to the availability of future financing; potential difficulties with joint venture partners; risks that Goldgroup's title to its property could be challenged; political and country risk; risks associated with Goldgroup being subject to government regulation; risks associated with surface rights; environmental risks; Goldgroup's need to attract and retain qualified personnel; risks associated with operating hazards at the Cerro Colorado mine; risks associated with potential conflicts of interest; Goldgroup's lack of experience in overseeing the construction of a mining project; risks related to the integration of businesses and assets acquired by Goldgroup; uncertainties related to the competitiveness of the mining industry; risk associated with theft; risk of water shortages and risks associated with competition for water; uninsured risks and inadequate insurance coverage; risks associated with potential legal proceedings; risks associated with community relations; outside contractor risks; risks related to archaeological sites; foreign currency risks; risks associated with security and human rights; and risks related to the need for reclamation activities on Goldgroup's properties, as well as the risk factors disclosed in Goldgroup's Annual Information Form and MD&A. Any and 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 is 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 as may be required by, and in accordance with, applicable securities laws.