



Goldgroup Announces Private Placement and Provides Corporate Update

Vancouver, British Columbia (July 29, 2014) – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) is pleased to announce a non-brokered private placement financing and provides a corporate update with regards to the assets of the Company.

Financing:

Goldgroup intends to complete a non-brokered private placement financing to raise at least CAD\$1 million at a price of CAD\$0.20 per unit. Each unit will consist of one common share and one half of one non-transferable share purchase warrant. Each full warrant will entitle the holder to purchase one additional common share of the Company at a price of CAD\$0.25 for a period of twenty-four months. The private placement is expected to close on or before August 1, 2014, and the Company expects that up to 25% of the units will be purchased by Company insiders. The proceeds from the private placement will be used for working capital. The common shares from this private placement will be subject to a four-month hold period. The private placement is subject to TSX Exchange and other required regulatory approval.

San Jose de Gracia:

The Government of the State of Sinaloa (the “Sinaloa Government”) has recently taken steps to attempt to bring a resolution to the dispute over the high-grade San Jose de Gracia Gold Project (“San Jose de Gracia”). Recently, the Sinaloa Government have requested that Goldgroup and their Earn-In partner on San Jose de Gracia, DynaResource, Inc. (“DynaUSA”), resolve their differences through mediation with the Sinaloa Government acting as facilitator to that mediation. This process has commenced with meetings between Goldgroup, DynaUSA and the Sinaloa Government having taken place. Goldgroup hopes to find a resolution to this issue in the near-term.

Caballo Blanco:

Goldgroup’s 100% owned Caballo Blanco Gold Project (“Caballo Blanco”) hosts Indicated Mineral Resources of 28.9 million tonnes grading 0.62 grams per tonne gold containing approximately 575,000 ounces of gold and Inferred Mineral Resources of 24 million tonnes grading 0.54 grams per tonne gold containing approximately 419,000 ounces of gold (based on a 0.2 grams per tonne cut-off grade; see the Company’s technical report entitled “Preliminary Economic Assessment, Caballo Blanco Heap Leach, Veracruz, Mexico” dated May 7, 2012). Caballo Blanco remains a flagship asset of the Company and remains a priority of Goldgroup. The Company maintains communication with all stakeholders of Caballo Blanco inside and outside of the State of Veracruz and remains committed to advancing the project for the benefit of the State of Veracruz, Mexico and Goldgroup shareholders.

Cerro Prieto:

For the three months ended June 30, 2014, the Company mined a total of 510,199 tonnes of material including 140,463 tonnes which were placed on the leach pads at Cerro Prieto. Of the 140,463 tonnes of ore mined and placed on the pads, the majority of it has been taken from outside the mine plan which resulted in a lower average grade. This was done to allow for the necessary time to strip overburden in order to expose ore within the mine plan. Gold produced over the three and six month period ended June 30, 2014 was 1,244 ounces and 3,098 ounces of gold, respectively.

The Company continues to define the optimal crushing parameters which the Company believes should help improve recovery rates of gold. Metallurgical test work on the tertiary crusher (High Pressure Grinding Roll) product has helped define the optimal parameters and finer crushing and screening should be possible with the revised circuit, which is expected to be operational within six to eight weeks.

The Company experienced a lack of water availability, which has been resolved with the addition of two new water wells being drilled and the commencement of the wet season. The addition of the new wells is expected to provide sufficient water for mining operations.

The Company wishes to clarify that it has not based its production decision or its internal mine plan at Cerro Prieto on a preliminary economic assessment demonstrating the potential viability of mineral resources or a feasibility study of mineral reserves demonstrating economic and technical viability, and as a result there is increased uncertainty and multiple technical and economic risks of failure which are associated with this production decision and internal mine plan. These risks, among others, include areas that are analyzed in more detail in a PEA or Feasibility Study, such as applying economic analysis to resources, more detailed metallurgy and a number of various specialized studies.

Cerro Colorado:

The Company ceased adding reagents in July 2014 to the leaching process at the Company's 100% owned Cerro Colorado mine which began a wind down phase in the fourth quarter of 2013 and will continue to see declining amounts of gold ounces being produced.

The Company also continues to actively pursue opportunities to better match its assets to its long-term goal of increasing shareholder value.

Marc Simpson, P. Geo., acts as Goldgroup's in-house qualified person for exploration results for the purposes of NI 43-101, and has reviewed and verified the Technical Information.

The scientific and technical information contained in this document relating to mining operations at Cerro Prieto and Cerro Colorado were under the supervision of Robert Friesen, P. Geo., who is a "Qualified Persons" under National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr. Friesen has reviewed and verified the Technical Information.

About Goldgroup

Goldgroup is a 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 a 50% interest in DynaResource de Mexico, S.A. de C.V., which owns 100% of the high-grade gold exploration project, San José de Gracia located in the state of Sinaloa. The Company also operates its 100%-owned Cerro Prieto and Cerro Colorado heap-leach gold mines, both in the state of Sonora.

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 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 the Cerro Prieto 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 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; 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 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.