



## Goldgroup Consents to Restructuring and Sale by Monarch of Assets and Operations to Cascadia

**Vancouver, British Columbia (May 13, 2016)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) announces it has consented to the restructuring and sale by Monarch Gold Corp. (“Monarch”) of substantially all of its assets and operations to Cascadia Goldfields Company Ltd. (“Cascadia”). Pursuant to the restructuring and sale, Cascadia assumed the obligations of Monarch in respect of a CAD \$2,500,000 loan previously made by the Company to Monarch (see press release on June 18, 2015), which is now overdue, and granted security in favour of the Company over all of the assets and operations acquired by Cascadia. Pursuant to the restructured loan, Cascadia will be obligated to make the following payments:

| <b>Due date</b>    | <b>Payment</b>         |
|--------------------|------------------------|
| May 3, 2016 (paid) | CAD \$250,000          |
| August 1, 2016     | CAD \$425,000          |
| October 31, 2016   | CAD \$425,000          |
| December 30, 2016  | CAD \$400,000          |
| December 31, 2017  | CAD \$1,000,000*       |
| <b>Total</b>       | <b>CAD \$2,500,000</b> |

\*CAD \$1,000,000 consists of CAD \$500,000 in equity of Cascadia; and a 2.5% NSR beginning on December 31, 2017 with a capped payment of CAD \$500,000.

In addition, the Company will have rights to monitor the ongoing operations of Cascadia through an Exploration, Development and Mine Operating Agreement with Cascadia.

### **About Goldgroup**

Goldgroup is a Canadian-based gold production, development, and exploration Company with significant upside in a portfolio of projects in Mexico, including 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 heap-leach gold mine, 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, with a view to 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,**

**Mr. Keith Piggott, Chairman, President and CEO**

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**Investor Relations**

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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.*