



## **Goldgroup Announces Increased Gold Production in 2016 With Continued Expansion in 2017**

**Vancouver, British Columbia (March 2, 2017)** – Goldgroup Mining Inc. (“Goldgroup” or the “Company”) (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) announces increased gold production in 2016 with plans for continued expansion in 2017 for Cerro Prieto.

On April 1, 2016, the Cerro Prieto mine achieved its main commercial production criteria of over 1,200 oz gold production per month consistently over a two-month period. This was achieved by better utilization of crushing and pad capacity by management. During the year ended December 31, 2016, Cerro Prieto produced approximately 15,608 ounces of gold.

<b>GOLD OZ 2016</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
PRODUCED	3,379	4,494	3,811	3,924	15,608
SOLD	3,339	4,499	3,884	4,021	15,743

During the period ended December 31, 2016, the Company:

- Completed electrical installation to the National Grid, which is expected to reduce diesel consumption resulting in lower operating cost.
- Installed on site bulk explosive handling, which is also expected to reduce unit cost.
- Designed tertiary cone crusher and screen system, which will further reduce the feed size to the final HPGR crusher, and also give increased throughput. This is expected to increase gold production and enhance the profit margin and is expected to be completed the beginning of Q2 2017.
- Planned further exploration within current concessions to potentially extend mine life (current planned term is 4 years).

Cerro Prieto is an operation that was historically worked underground over 100 years ago. It contained many old stope openings and hence detailed ore definition was difficult to achieve by drilling alone. The Company opened up the mine with a number of open cut faces to better determine resources and characteristics. It has been in trial operation for the last two years with detailed mine planning as the mineralized zones were opened up and better defined, metallurgy utilizing fine crushing and agglomeration was optimized and the leaching parameters were determined in trial operations.

Annual Production 2014: 4,890 oz gold  
Annual Production 2015: 9,151 oz gold  
Annual Production 2016: 15,608 oz gold

Expected Annual Production 2017: approx. 20,000 oz gold

Production costs based on recent operations indicate a sustaining cost less than US\$900 /oz gold for 2017.

Now that the mine is in sustainable operation, additional resources within the same mineralized zone are being investigated to extend mine life beyond the programmed 4 years. Goldgroup believes that additional resources outside the current mining zone but within the Cerro Prieto concessions also show promise.

Keith Piggott, Chairman, President and CEO of Goldgroup commented: " Our primary focus for 2017 is to continue to ramp up gold production and lower crushing and mining costs through brining better efficiency into Cerro Prieto, which will improve the financial position of the Company moving forward."

The Company wishes to make clear that it is not basing its production decision 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 there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include areas that are analyzed in more detail in a Preliminary Economic Assessment ("PEA") or Feasibility Study, such as applying economic analysis to resources or reserves, more detailed metallurgy, a number of various specialized studies.

Scientific and technical information relating to Cerro Prieto presented above has been approved by Rodney A. Blakestad, J.D., C.P.G., who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101, and he is Independent of the issuer applying all of the tests in Section 1.5 of NI 43-101CP.

### **About Goldgroup**

Goldgroup is a Canadian-based gold production, development, and exploration Company with a significant upside in a portfolio of projects in Mexico and Ecuador, 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 operates its 100%-owned Cerro Prieto heap-leach gold mine, in the State of Sonora, Mexico, and is continuing the environmental assessment and permitting processes to advance to production the El Mozo property in Ecuador.

Goldgroup is led by a team of highly successful and seasoned individuals with extensive expertise in mine development, corporate finance, and exploration in Mexico and Ecuador. Goldgroup's mission is to increase gold production, mineral resources, profitability and cash flow, with a view to building a leading gold producer.

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 and President**

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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 (including future production and cost estimates), 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 may 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.*