VANCOUVER, June 27, 2016 /CNW/ - Goldgroup Mining Inc. ("Goldgroup" or the "Company") (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) has read a news article ("Article") dated June 26, 2016, published by Noroeste, a major newspaper based in the state of Sinaloa, in regards to a reported mandatory shutdown ("Shutdown") of the San José de Gracia ("SJG Project") mining operations by the State Government. While Goldgroup believes the article to be reliable, it has not yet had an opportunity to independently confirm the facts reported in the article.

According to the Article, Gerardo Vargas Landeros, Secretary General of Government, stated the Shutdown was caused by serious safety concerns resulting in the deaths of two employees at San José de Gracia. Landeros also stated there were complaints filed in relation to the poor working conditions of the tunnels, resulting in dangerous landslides. Landeros has notified legal representatives to request the involved parties to rectify all safety and regulatory issues before the recommencing of any mining activities.

DynaResource de Mexico, S.A. de C.V. ("DynaMex") owns 100% of the SJG Project. Goldgroup currently has a joint venture agreement with DynaResource Inc. ("DynaUSA"), of which Goldgroup and DynaUSA each own 50% interest of DynaMex. The SJG Project is currently fully operated by DynaUSA.

Since 2013, Goldgroup has taken numerous legal actions to resolve disputes with DynaUSA as DynaUSA has improperly attempted to dilute Goldgroup's ownership interest of the SJG Project. As a result of DynaUSA's actions, Goldgroup lost operational control of the mining operations. The fatalities arose after the Company's loss of operational control.

The Company would like to express its condolences to the families and friends of the deceased employees. Goldgroup hopes the Shutdown will expedite the legal actions in progress to allow Goldgroup to gain control and rectify the situation at the SJG Project.

"We are deeply saddened to hear the news of the tragic deaths at the mine site," said Keith Piggott, Chairman, President and CEO of Goldgroup, "Goldgroup will use this opportunity to expedite all legal actions against DynaUSA to gain control of the mining operations at the SJG Project to provide a safe working environment for the mine's workers."

For the full news article, please visit the link below.

http://beta.noroeste.com.mx/publicaciones/view/clausuran-la-mina-de-oro-mas-importante-en-sinaloa-1033326

About Goldgroup

Goldgroup is a Canadian-based gold production, development, and exploration Company with a 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

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 (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.

SOURCE Goldgroup Mining Inc.

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