

VANCOUVER, Aug. 15, 2016 /CNW/ - [Goldgroup Mining Inc.](#) ("Goldgroup" or the "Company") (TSX:GGA, OTC:GGAZF, BMV SIX:GGAN.MX) announces its Cerro Prieto production results for the second quarter ("Second Quarter") ended June 30, 2016.

"Q2 2016 was a strong quarter operationally as Cerro Prieto has officially gone into commercial production," said Keith Piggott, Chairman, President and CEO of Goldgroup, "Our all-in sustaining cash cost for the quarter was \$973 per ounce. We continue to work on the opportunities to lower cash costs further to our target of \$900<sup>(1)</sup> per ounce as previously forecasted in March 2016."

"We remain on target for our annual production guidance for 2016 of 15,000 ounces and our all-in sustaining cash cost guidance of \$900 per ounce<sup>(1)</sup>."

(1) The foregoing are goals and targets forming part of the Company's business plan and strategy. There is no assurance that such goals and targets will be realized. Future production goals and targets and mineralization definition goals will be subject to detailed mining studies and decisions of the board of the Company.

## Operational results

Cerro Prieto commenced small-scale trial mining and leaching in December 2013 and commenced commercial production during the period ended June 30, 2016.

| Operating Statistics                                 | Three months ended |                    | Six months ended   |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | June 30, 2016      | June 30, 2015      | June 30, 2016      | June 30, 2015      |
| Ore mined (tonnes)                                   | 174,800            | 110,905            | 298,480            | 204,956            |
| Waste mined (tonnes)                                 | 1,176,010          | 853,801            | 2,527,086          | 1,679,683          |
| Total mined (tonnes)                                 | 1,350,810          | 964,706            | 2,825,566          | 1,884,639          |
| Waste-to-ore-ratio                                   | 6.73               | 7.07               | 8.47               | 8.20               |
| Ore to pad (tonnes)                                  | 196,131            | 111,021            | 330,390            | 190,498            |
| Recovery   | 58%                | 53%                | 61%                | 49%                |
| Grade of ore mined (g/t Au)                          | 1.34               | 1.35               | 1.27               | 1.40               |
| Grade of ore placed on pad (g/t Au)                  | 1.26               | 1.02               | 1.29               | 1.13               |
| Gold ounces &#8211; produced                         | 4,270              | 1,913              | 7,874              | 3,417              |
| Gold ounces &#8211; sold                             | 4,274              | 1,599              | 7,838              | 3,198              |
| All-in sustaining cash cost per ounce <sup>(3)</sup> | \$ 973             | N/A <sup>(2)</sup> | N/A <sup>(2)</sup> | N/A <sup>(2)</sup> |
| All-in cash cost per ounce <sup>(3)</sup>            | \$ 1,182           | N/A <sup>(2)</sup> | N/A <sup>(2)</sup> | N/A <sup>(2)</sup> |
| Average realized gold price per ounce sold           | \$ 1,260           | \$ 1,194           | \$ 1,225           | \$ 1,205           |

(2) The Company began its cash cost disclosure upon the commencement of commercial production during the three months ended June 30, 2016.

(3) Cash cost is a non IFRS measure.

Estimates of Mineral Reserves necessarily depend upon a number of variable factors and assumptions, all of which may vary from the actual results, such as: changes in commodity prices, international exchange rates, taxation of environmental regulations, or unforeseen changes in geological or mining conditions.

A determination of Mineral Resources and Mineral Reserves prepared by a QP are estimates based on technical assumptions that comply with applicable mining standards. Though preparation of the estimates are conducted in accordance with relevant mining standards, the estimates are subject to a number of uncertainties inherent in estimating quantities and classification of Mineral Resources and Mineral Reserves, including the QP's assessment of available financial, technical, geological, and contractual information. Therefore, such statements should not be interpreted as assurances of mine life or a measure of the profitability of future operations, particularly in these times of global economic uncertainty.

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.

On August 8, 2013 the Company released an updated National Instrument 43-101 Measured and Indicated and Inferred mineral resource estimate (the "NI 43-101") for Cerro Prieto. Giroux Consultants Ltd. and Duncan Bain Consulting Ltd. prepared and authorized the release of this NI 43-101 resource estimate entitled "Report on the 2011-2012 Exploration Program including an Updated Resource Estimation on the Cerro Prieto Project - Magdalena de Kino Area, Sonora State Mexico dated June 10, 2013". Highlights of this estimate can be found in the MD&A for the year ended December 31, 2013 on SEDAR.

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 these 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.

#### 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.

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, 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.

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