

PMI GOLD

C O R P O R A T I O N

News Release # 25-11

December 22, 2011

TSX Venture Exchange: PMV
Australian Securities Exchange: PVM
Frankfurt: PN3N.F

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. NEWS AGENCIES

Further Drilling Results at Obotan Project Continues to Confirm Resource Model

Highlights:

- **Further results received from resource extension and in-fill drilling at PMI Gold's Obotan Gold Project in Ghana continues to confirm the strong continuity of the gold mineralization which remains open along strike and at depth:**
 - **Nkran**
 - **16 metres @ 7.45 g/t from 442 metres**
 - **37 metres @ 3.08 g/t from 501 metres**
 - **68 metres @ 1.88 g/t from 555 metres**
 - **Adubiaso**
 - **3 metres @ 47.79 g/t from 142 metres**
 - **Abore**
 - **23 metres @ 5.40 g/t from 191 metres**
 - **5 metres @ 20.27 g/t from 168 metres**
- **Three diamond core rigs and a multi-purpose rig are currently active at Obotan on continued resource definition and feasibility drilling.**
- **New AMS/MinAnalytical sample preparation facility commenced operations in October for PMI's exclusive use at Obotan.**
- **NI43-101 Resource Estimation Technical Report available on SEDAR.**
- **Pre-feasibility study scheduled for completion at end of calendar 2011.**

PMI Gold Corporation (TSX-V: PMV) (ASX: PVM) is pleased to report further assays have been received from resource drilling at its 100% owned Obotan Gold Project in Ghana, West Africa (Figure 1). The results from 24 diamond drill holes continue to reinforce the resource estimate and block model for the project's four deposits - the larger Nkran deposit, and the satellite deposits of Abore, Adubiaso and Asuadai (Figure 2). These results will be included in a new resource estimate due early 2012 for the bankable Feasibility Study.

To date, PMI Gold has completed 267 diamond drill holes totaling 68,375 metres at the Obotan Project.

Resource expansion, metallurgical sampling and geotechnical drilling continues at Obotan with three diamond core rigs currently active. These rigs have been supplemented by a dedicated multi-purpose RC/Diamond core drill rig which recently commenced drilling at Nkran.

A new sample preparation facility has been set up for exclusive use by PMI at the Obotan Project. Due to delays in assay turn-around times by contract laboratories in Ghana during 2011, PMI Gold contracted AMS/MinAnalytical Laboratory Services Australia Pty. Ltd. to supply and operate a sample preparation facility located at Nkran. The first processing of samples commenced in November and it is expected that we will see an improvement in the turn-around times for results.

Drilling Results at Obotan Project

Nkran

Further assay results for 4 diamond drill holes were received from the Nkran deposit which confirms the gold mineralization intersected in previous drill holes and that the known mineralization, within an eastern lode, western lode and central adjoining stockwork complex, is associated with highly altered greywackes, brecciated phyllite, diorite and quartz/albite veins. These drill holes are infill holes and have been designed to provide improved confidence in the Nkran resources.

Significant results from Nkran include:

- NKR11-076 16m at 7.45g/t from 442 metres including 7m at 13.12g/t from 442m
- NKR11-077 37m at 3.08g/t from 501 metres including 7m at 4.57g/t from 501m
including 6m at 8.58g/t from 532m
- NKR11-078 9m at 2.04g/t from 524 metres
- NKR11-079 20m at 1.29g/t from 274 metres including 4m at 3.21g/t from 276m
- NKR11-079 68m at 1.88g/t from 555 metres including 3m at 8.69g/t from 555m
including 12m at 2.15g/t from 574m
including 19m at 2.26g/t from 604m

Adubiaso

Assay results from 6 diamond drill holes confirmed that grade gold values continued at depth. The mineralisation occurs in jogs within a NE-SW striking shear vein system in sub-vertically interbedded greywackes and phyllites within an intrusive. Assays from hole ADP11-023 show that mineralization is opened along strike to the north providing the potential to further increase the resources in the Adubiaso pit.

Significant results from Adubiaso include:

- ADP11-012 4m at 3.47g/t from 261metres including 1m at 11.08g/t from 262m
- ADP11-021 3m at 47.79g/t from 142 metres including 1m at 133.50g/t from 142m
- ADP11-023 8m at 2.69g/t from 79 metres including 2m at 5.54g/t from 85m

Abore

At the Abore deposit, good intercepts were recorded at depth confirming grade extension of the sub-vertical dipping lode. Gold mineralization at Abore is located within granitoids and at the contacts with the meta-sedimentary rocks. The Abore mineralization is open to the north and provides the potential to further increase the resources.

Assay results were returned from 13 diamond drill holes, with significant intercepts shown below:

- ABP11-035 15m at 3.10g/t from 158 metres including 5m at 6.92g/t from 158m
- ABP11-037 8m at 1.60g/t from 125 metres
- ABP11-038 23m at 5.40g/t from 191 metres including 4m at 22.91g/t from 191m
- ABP11-039 33m at 1.55g/t from 153 metres including 2m at 7.72g/t from 162m
including 2m at 5.18g/t from 177m

- ABP11-042 16m at 1.07g/t from 152 metres
- ABP11-042 2m at 5.83g/t from 190 metres
- ABP11-050 24m at 1.49g/t from 156 metres including 4m at 3.77g/t from 164m
- ABP11-054 21m at 1.84g/t from 185 metres including 9m at 3.55g/t from 197m
- ABP11-056 5m at 20.27g/t from 168 metres including 1m at 53.33g/t from 168m

Asuadai

Assays were received for one drill hole at Asuadai deposit which returned low grades.

Full drilling results are available in Table 1.

The Company announced to the market on 13 October 2011, an interim JORC/NI43-101 resource upgrade at the Obotan Gold Project comprising:

- Measured Resources - 14.67 million tonnes @ 2.66g/t for - 1.22 million Au ounces
- Indicated Resources - 27.50 million tonnes @ 2.32g/t for - 2.00 million Au ounces
- Inferred Resources - 17.54 million tonnes @ 2.35g/t for - 1.29 million Au ounces

The SRK Consulting October 2011 Resource estimate for each of the Obotan deposits based on a 0.5 g/t Au lower cut-off grade is summarised in Table 2.

The size and strong grade of the interim resource, and the significant scope for future increases in resources which remain open at depth and offer potential for strike extensions, indicates the potential for a substantial and long-life gold project at Obotan. This interim resource estimate will be incorporated into the Pre-feasibility study mine plan which is on track for completion by year end.

The Company also lodged its NI43-101 Resource Estimate Technical Report on 28 November 2011 which is available at www.sedar.com.

On behalf of the Board,
"Collin Ellison"
Managing Director & CEO

For further information please contact:

Investor Relations Canada:

Rebecca Greco, Fig House Communications
P. +1 (416) 822-6483
E. fighouse@yahoo.com

PMI Contact Canada:

Marion McGrath, Corporate Secretary
P. +1 (604) 684-6264
Toll-Free: 1 (888) 682-8089

Investor Relations Australia:

Nicholas Read/Paul Armstrong, Read Corporate
P. +61 8 9388 1471
M. +61 419 929 046

PMI Contact Australia:

Collin Ellison, Managing Director & CEO
P. +61 8 6188 7900

or visit the PMI Gold Corporation website at www.pmigoldcorp.com

Competent Person Statement

Exploration Results:

The information in this announcement that relates to Exploration Results is based on information compiled by Collin Ellison, who is employed by PMI Gold Corporation. Mr Ellison, who is a Member Institute of Material, Minerals and Mining of UK, a 'Recognised Overseas Professional Organisation' (ROPO) included in a list promulgated by the ASX from time to time, has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Ellison consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Scientific and technical information contained in this news release has been reviewed and approved by Collin Ellison, C.Eng. a "qualified person" as defined under National Instrument 43-101. Field work was supervised by Thomas Amoah (VP-Exploration). HQ and NQ core was logged, sawn and sampled on site, with half samples sent to SGS Laboratory in Tarkwa, and analyzed for gold by fire assay-AA on a 50 gram sample charge or by screened metallics AA finish. Internal QC consisted of inserting both blanks and standards into the sample stream and multiple re-assays of selected anomalous samples. Where multiple assays were received for an interval, the final value reported was the screened metallic assay if available, or in lieu of that the average of the other results for the interval. Results from the QC program suggest that the reported results are accurate. Intercepts were calculated with a minimum 0.5 g/t Au cut off at the beginning and the end of the intercept and allowing for no more than three consecutive metres of less than 0.5 g/t Au internal dilution. Intercepts above 5.0 g/t Au metres are reported separately. Grade x Width intercepts of less than 5.0 g/t Au metres were not reported. True widths are estimated at from 60% to 70% of the stated core length.

Obotan Resource Estimate 2011:

Information that relates to Mineral Resources at the Obotan Gold Project is based on a resource estimate that has been audited by Mr Peter Gleeson, who is a full time employee of SRK Consulting, Australia. Mr Gleeson is a Member of the Australian Institute of Geoscientists (MAIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as defined in terms of NI43-101 standards for resource estimation of gold. Mr Gleeson has more than 5 years' experience in the field of Exploration Results and of resource estimation in general. Mr Gleeson consents to the inclusion of matters based on information in the form and context in which it appears. This resource statement was prepared by SRK in accordance with the Canadian National Instrument 43-101, Standard of Disclosure for Mineral Projects (the instrument), the summarised Resource Estimates in Table 1 have been compiled as of the 15th of August 2011 close of drilling database by SRK and are effective as of the 12th of October 2011. The classification of the Resource Estimates into Measured, Indicated and Inferred Resources is a function of the confidence in the historical data, recent confirmation data and data analysis, geological interpretation, mineralisation geometry and geological context within which the estimation has taken place. The classification of resources is consistent with the Australasian Guidelines and Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (Revised December 2007) as prepared by the Joint Ore Reserves Committee of the AusIMM, AIG and MCA (JORC). SRK accepts responsibility for classifying the current Obotan Resource Estimates as Measured, Indicated and Inferred and the data upon which the estimates are based, including the geological interpretation. The gold grades used in the resource estimation are based on data obtained from a number of previous explorers, by a range of drilling methodologies, with analysis undertaken at a range of laboratories utilising various analytical methodologies and was supplied to SRK by PMI. To the best of their knowledge, SRK has reviewed all such information and accepts it as reliable and free from any material error.

Cautionary Note Regarding Forward-looking Statements

This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release, including, without limitation, statements relating to the potential mineralization and geological merits of the Obotan and Kubi projects and the plans, objectives or expectations of the Company with respect to the advancement of these projects and completion of scoping and pre-feasibility studies, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of current exploration activities; fluctuating gold prices; possibility of equipment breakdowns, delays and availability; exploration cost overruns; availability of capital and financing; general economic, market or business conditions; regulatory changes; timeliness of government or regulatory approvals; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators, including in the section entitled "Risk Factors" in the Company's Annual Information Form dated September 20, 2011. In particular, statements relating to the Company's plans to complete a pre-feasibility study on the Obotan Gold Project by the end of 2011 are subject to various factors, including positive results from ongoing exploration; expansion and upgrading of existing mineral resources (which are currently primarily in the inferred resource category); and completion of favourable geotechnical drilling programs, metallurgical test work, mine plan engineering, environmental and community relations assessments, and preliminary economic assessments. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of the inferred mineral resources at Obotan will be upgraded to indicated or measured mineral resources as a result of continued exploration. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Table 1 – Significant Gold Intercepts (>5.00 g/t Au metres):

Note: True widths are approximately 60% to 70% of the length of the stated intersection lengths.

NKRRAN									
Hole ID	East	North	RL	Dip	Azimuth	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
NKR11-076	611477.387	700694.8091	169.597	-45	127	426.00	431.00	5.00	3.44
NKR11-076						442.00	468.00	16.00	7.45
Including						442.00	449.00	7.00	13.12
NKR11-077	611957.1923	700391.0554	171.1515	-65	305	485.00	488.00	3.00	10.51
NKR11-077						501.00	538.00	37.00	3.08
Including						501.00	508.00	7.00	4.57
Including						532.00	538.00	6.00	8.58
NKR11-078	612188.931	700467.31	174.509	-55	307	524.00	533.00	9.00	2.04
NKR11-079	612075.687	700488.86	165.072	-55	307	274.00	294.00	20.00	1.29
Including						276.00	280.00	4.00	3.21
NKR11-079						555.00	623.00	68.00	1.88
Including						555.00	558.00	3.00	8.69
Including						574.00	586.00	12.00	2.15
Including						604.00	623.00	19.00	2.26

ADUBIASO									
Hole ID	Easting_UTM	Northing_UTM	RL_UTM	Dip	Azimuth	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
ADP11-012	610778.6956	703819.6086	159.993	-45	307	232	235	3	0.76
ADP11-012	610778.6956	703819.6086	159.993	-45	307	261	265	4	3.47
Including						262	263	1	11.08
ADP11-013	611107.4419	704169.4131	170.358	-45	307	230	236.7	6.7	0.85
ADP11-018	611169.1327	704248.138	170.8902	-50	307	NSR			
ADP11-019	610793.1063	703841.4959	161.0452	-45	307	NSR			
ADP11-021	610975.4594	704045.2191	168.4171	-45	307	142	145	3	47.79
Including						142	143	1	133.50
ADP11-023	611243.416	704758.264	149.723	-50	127	79	87	8	2.69
Including						85	87	2	5.54
ADP11-023	611243.416	704758.264	149.723	-50	127	130	132.9	2.9	0.78

ABORE									
Hole ID	East	North	RL	Dip	Azimuth	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
ABP11-035	614079.30	713530.00	185.597	-45	127	149.00	151.00	2.00	2.46
ABP11-035				-45	127	158.00	173.00	15.00	3.10
Including						158.00	163.00	5.00	6.92
ABP11-035				-45	127	180.00	182.00	2.00	2.71
ABP11-036	614284.009	713787.3569	200.8806	-45	127	NSR			
ABP11-037	614345.0469	713900.2492	204.4194	-45	127	125.00	133.00	8.00	1.60
ABP11-037				-45	127	142.00	147.00	5.00	1.04
ABP11-037				-45	127	162.00	163.00	1.00	5.08
ABP11-038	614388.0787	714049.8293	197.6523	-45	127	191.00	214.00	23.00	5.40
Including						191.00	195.00	4.00	22.91
Including						199.00	202.00	3.00	5.20
ABP11-039	614444.8428	714075.3833	199.011	-45	127	153.00	186.00	33.00	1.55
Including						162.00	164.00	2.00	7.72
Including						177.00	179.00	2.00	5.18
ABP11-040	614470.934	714168.8118	203.3185	-45	127	NSR			
ABP11-042	614489.824	714214.1078	206.3959	-45	127	152.00	168.00	16.00	1.07

ABORE									
Hole ID	East	North	RL	Dip	Azimuth	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
ABP11-042				-45	127	190.00	192.00	2.00	5.83
ABP11-048	614531.3859	714244.6045	209.5948	-45	127	125.00	130.00	5.00	1.12
ABP11-048						139.00	151.00	12.00	1.00
ABP11-050	614553.0727	714268.8196	206.5079	-45	127	119.24	130.55	11.31	0.76
ABP11-050						156.00	181.00	24.00	1.49
Including						164.00	168.00	4.00	3.77
Including						170.00	173.00	3.00	4.02
ABP11-053	614724.649	714519.178	195.831	-45	127	NSR			
ABP11-054	614767.11	714673.767	218.4	-45	127	160.00	164.00	4.00	1.32
ABP11-054						185.00	206.00	21.00	1.84
Including						197.00	206.00	9.00	3.55
ABP11-055	614881.112	714727.029	212.863	-45	127	115.00	119.00	4.00	1.88
ABP11-056	614473.1618	714197.3222	203.9509	-45	127	168.00	173.00	5.00	20.27
Including						168.00	169.00	1.00	53.33
Including						172.00	173.00	1.00	45.00
ABP11-056						191.00	197.00	6.00	1.14

ASUADAI									
Hole ID	Easting_UTM	Northing_UTM	RL_UTM	Dip	Azimuth	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
ASP11-028	618093.2455	709457.7176	250.0353	-45	127	NSR			

Table 2 – SRK October 2011 Resource Estimate

SRK October 2011 Resource Estimate (based on a 0.5 g/t Au lower cut-off grade)									
DEPOSIT	MEASURED			INDICATED			MEASURED + INDICATED		
	Tonnes (millions)	Grade (g/t Au)	Ozs (millions)	Tonnes (millions)	Grade (g/t Au)	Ozs (millions)	Tonnes (millions)	Grade (g/t Au)	Ozs (millions)
Nkran	11.10	2.76	0.98	19.70	2.42	1.52	30.80	2.54	2.50
Adubiaso	1.07	2.78	0.09	2.60	2.30	0.19	3.67	2.44	0.28
Above	2.50	1.88	0.15	3.99	1.80	0.23	6.49	1.83	0.38
Asuadai	n/a	n/a	n/a	1.21	1.71	0.06	1.21	1.71	0.06
TOTAL	14.67	2.66	1.22	27.5	2.32	2.00	42.17	2.40	3.22

DEPOSIT	INFERRED		
	Tonnes (millions)	Grade (g/t Au)	Ozs (millions)
Nkran	12.60	2.54	1.02
Adubiaso	0.87	2.06	0.05
Above	3.40	1.72	0.18
Asuadai	0.67	1.95	0.04
TOTAL	17.54	2.35	1.29

(All resource numbers are rounded to 2 decimal places- 10,000 tonnes.)

Figure 1 – PMI Gold Projects in Ghana Location Plan



Figure 2 – Obotan Gold Project, Key Deposits showing reported drill collars

