Introduction

The following discussion and analysis of financial position and results of operations ("MD&A") of the PMI Gold Corporation ("PMI" or the "Company) for the three and nine months ended March 31, 2012 should be read in conjunction with the June 30, 2011 Audited Consolidated Financial Statements and related notes for the year ended June 30, 2011. The effective date of this report is May 15, 2012. All dollar amounts included therein and in the following MD&A, unless otherwise indicated, are expressed in Canadian dollars.

The Company's transition date to IFRS was July 1, 2010. The rules for first-time adoption of IFRS are set out in IFRS 1, "First-time adoption of International Financial Reporting Standards". In preparing the Company's first IFRS financial statements, these transition rules have been applied to the amounts previously reported in accordance with Canadian generally accepted accounting principles ("GAAP"). Historical results and balances have been restated under IFRS. Those unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2011 GAAP annual consolidated financial statements, and in consideration of the disclosure regarding the transition from Canadian GAAP to IFRS included in Note 13 to the condensed interim consolidated financial statements. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in the condensed consolidated interim financial statements nor in the Company's most current annual GAAP financial statements. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. The Company's website can be found at www.pmigoldcorp.com. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

Executive Summary

PMI Gold Corporation is a junior resource company with gold exploration properties in Ghana, West Africa. Currently, the Company has no productive asset, and is engaged in development and exploration programs. The Company continues to progress its flagship Obotan Gold Project where a Pre-feasibility has been completed. A final Feasibility and development decision is scheduled for mid-2012, with first gold production targeted in early 2014. In addition to the Obotan Project, the Company has advanced exploration at the Kubi Project and regional exploration at the Asanko Project, both with potential to develop into additional new mining centres.

KEY HIGHLIGHTS

The Company:

- Positive drilling results in Ghana
- Commencement of new Chief Operating Officer
- Completion of C$35 million Public Offering

Structure and Business Description

PMI Gold Corporation is incorporated under the laws of British Columbia. The Company has three wholly owned subsidiaries, Adansi Gold Company Ghana Limited ("Adansi"), Kubi Gold Company Limited ("Kubi"), incorporated under the laws of Ghana, West Africa, and Nevsun Resources (Ghana) Ltd. ("NRGL") incorporated under the laws of Barbados.

The Company's registered and records office is located at 408 – 837 West Hastings Street, Vancouver BC V6C 3N6, Canada with offices located at 10 Quarcoo Lane, Roman Ridge, PMB CT471 Cantonments, Accra, Ghana, West Africa, and 680 Murray Street, West Perth, Australia. PMI Gold Corporation is registered in Australia as a foreign company.

The Company is a junior mining exploration company engaged in the acquisition, exploration, and development of mineral concessions in Ghana, West Africa. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol "PMV". The Company was admitted to the Australian Stock Exchange on December 17, 2010, under the symbol "PVM", trading CHESS Depository Instruments (CDI's) which may be exchanged for shares tradable on the TSX-V. Canadian shares may also be exchanged for CDI's.

The Company is also listed on the Berlin and Frankfurt Exchanges under the symbol "PN3N".

Long-term goals for the Company include:

- growing and strengthening core operations in gold exploration and development;
- finding, acquiring and developing profitable revenue producing assets;
- growing market capitalization.

Operating Activities

The Company's activities focused on continuing its development and exploration programs on its existing Ghana properties. In all, the Company invested approximately $6.8 million and $23.7 million in development and exploration during the three and nine months ended March 31, 2012, an increase of $4 million and $16.8 million over the comparable prior year spends of $2.8 million and $6.9 million, respectively. The Exploration section below sets out in greater detail the development and exploration achievements on the various properties. The loss for the three months ended March 31, 2012 was $1,453,002 (2011 - $1,615,167) and for the nine months ended March 31, 2012, the loss was $4,104,284 (2011 - $4,261,406).

There were 2,990,000 options issued during the nine months ended March 31, 2012 to officers and to consultants of the Company. A total of 531,875 options at $0.50 and 75,000 options at $0.20 were cancelled as per the terms and conditions of the Company's Stock Option Plan.

Capital Stock and Financing

During the nine months ended March 31, 2012, the Company entered into an agreement with a syndicate of underwriters co-led by Clarus Securities Inc. and RBC Capital Markets and including GMP Securities L.P. and Raymond James Ltd. (the "Underwriters") under which the Underwriters agreed to buy 28,000,000 Common Shares from the Company on a bought-deal underwritten basis and sell them to the public at a price of $1.25 per Common Share to raise gross proceeds of $35,000,000. Proceeds from the offer will be used to fund the definitive Feasibility Study and development of the Obotan Gold Project and for general corporate purposes. In conjunction with the private placement, the Company incurred $2,198,589 in share issuance costs. Proceeds of $8,328,100 were received during the period through the exercise of warrants and options. Issued shares increased from 197,934,584 as at July 1, 2011 to 260,520,084 at March 31, 2012. As at March 31, 2012, there were 15,680,000 warrants and 14,542,500 options outstanding. Further details of transactions are provided in Note 9 to the March 31, 2012 Condensed Consolidated Interim Financial Statements.

The Company intends to use the majority of the proceeds of the public offering to further explore its Obotan Gold Project. Total proceeds received from the offering after the payment of the Underwriters' Fee was $33,250,000. The table below describes how the proceeds have been used to date and disclose how the proceeds were expected to be used as disclosed in the final prospectus dated March 9, 2012.

	As per prospectus	Incurred to date
Obotan Gold Project	$29,750,000	$2,912,069
Exploration	2,500,000	-
General & administrative expenses	1,000,000	448,589
Total	$33,250,000	$3,360,658

The Company intends to incur the outstanding expenditures as indicated in the prospectus. These expenditures will be incurred over the course of the next 12 months.

A further breakdown of the expenditures currently incurred on the Obotan Gold Project is as follows:

	As per prospectus	Incurred to date
Feasibility Study Costs	$7,060,000	$2,912,069
Land Access Agreement	4,500,000	-
Equipment Purchases	4,460,000	-
Development costs	13,730,000	-
Total	$29,750,000	$2,912,069

Additional information relating to the proposed expenditures can be found on the Company's Prospectus dated March 9, 2012 and filed on SEDAR.

Corporate Developments

There were no significant corporate developments during the nine months ended March 31, 2012.

There were no changes to the Board of Directors, however the Company appointed a Chief Operating Officer, Mr Michael Gloyne, further strengthening its management team as it moves towards development of its flagship Obotan Gold Project in Ghana, West Africa. The Company also appointed an additional experienced Corporate Secretary, Ian Hobson to be responsible for Australian secretarial matters.

Project Development

The Pre- Feasibility Study (PFS) for the Obotan Gold Project was released on January 12, 2012. The PFS was completed by GR Engineering Services (GRES), and found that a 3 million tonne per annum project represented a robust development opportunity based on average annual forecast gold production of 205,600oz over an initial 10.2-year life. A full copy of the NI43-101 compliant technical report for the PFS can be found on the SEDAR website at www.sedar.com.

Forecast life-of-mine cash costs were estimated at US$690.2/oz, including royalties, refining and pre-strip mining costs of US$68.3 million. The Pre-tax Net Present Value was put at US$680.5 million and the post-tax NPV at US$416.4 million assuming a US$1,300/oz gold price, 5 per cent discount rate and a contract mining scenario.

The Project's initial capital cost is estimated to be US$183.5 million or $251.8 million including pre-strip.

Subsequent to the completion of the PFS, the Feasibility Study (FS) was commenced by GRES. The general delivery scope of the FS is as follows:

- Overall study delivery and management of sub-consultants
- Coordination of metallurgical testwork
- Plant design criteria and general arrangements
- Site layout and key infrastructure
- Obotan resource estimation
- Open pit mine design and production scheduling
- Capital cost estimates +/- 15%
- Operating cost estimates +/- 15%
- Schedule and Project Execution Plan
- Connection to power grid and site power reticulation
- Refurbishment of existing camp

The FS is due for completion early 3rd Quarter 2012 and will lead to a financial investment decision followed by financing, development and construction of the Obotan Gold Project. Some detailed engineering, preparation for the purchase of long lead items, and planning for the mining pre-strip will commence during the June Quarter 2012.

Subsequent to the end of the March Quarter, an updated Resource Inventory was released on April 11, 2012. The revised resource calculation included a further 28,835m of predominantly infill and some extensional drilling results that were outstanding at the time of the PFS announcement. The assay results from this drilling program have been incorporated in the final resource estimate undertaken as part of the Feasibility Study that is currently in progress.

The latest resource estimate provides further confidence regarding the integrity of the total gold inventory and in particular the integrity, high grade and internal continuity of the Nkran deposit which forms the larger part of the total resource base.

Exploration

Exploration continued on the Company's concessions, with $6.8 million and $23.7 million being invested during the three and nine month period ending March 31, 2012 to advance exploration and development of the Obotan, Kubi and regional exploration projects.

Subsequent to the Quarter end, PMI announced a major regional exploration push underway within the Asankrangwa and Ashanti Gold Belts, with programs of +100,000m of RAB, aircore, RC and diamond drilling planned for the first half of 2012.

Drilling will focus on the evaluation of targets for additional sources of open pit oxide and primary feed within the Obotan Project 'Area of Influence'; exploration follow-up on a series of targets and gold occurrences, including shallow historical drilling intersections on the Asanko Project, covering approximately 45km of strike extensions south of the Obotan Project; and drill testing of numerous gold geochemical targets on the Kubi and Ashanti Shears as well as extensions to the Kubi Main deposit, with the aim of defining a stand-alone project.

The Company has implemented a number of measures to accelerate its regional exploration strategy with the contracting of additional rigs including two multi-purpose RC/Diamond rigs, two RAB/Aircore rigs and a dedicated diamond rig; the installation of a sample preparation facility on site to address assay turnaround times; and the recruitment of dedicated regional exploration teams.

a) Obotan Project

Resource Definition Drilling

Resource infill and definition drilling at Obotan Gold Project (Nkran, Abore, Adubiaso) has been completed and assays reported. Additional resource drilling to test the strike and depth extension of Nkran is to continue over the coming months. Resource drilling to test the strike extension and internal continuity of mineralization at Asuadai deposit was suspended during the Quarter due to the unavailability of water. Assay results for all completed Asuadai holes have been received and reported.

Nkran West

Exploration diamond and RC drilling continued at Nkran West in order to follow up a VTEM interpretation which shows geological structures that parallel the Nkran deposit. Assay results to date have been modest, warranting a review of the current program and the addition of new drill holes. .

Area of Influence

Exploration drilling commenced on a number of areas within the Obotan "Area of Influence". Work was suspended at Gyagyastreso (Switchback North) to focus efforts on drilling programs on the Kaniago (Adansi) Prospect and the Fromenda Prospect (New Obuase) during the Quarter. Positive results for both prospects were announced subsequent to the Quarter end.

<u>Kaniago (Adansi)</u>:

More than 7,000m has been completed from a planned 9,000m aircore broad-spaced drilling program with results confirming the potential of the Abore Shear. A follow-up RC program is planned.

<u>Fromenda:</u>

More than 4,500m of RC drilling has been completed out of a planned 7,635m program. Results confirm the internal continuity and down dip gold mineralization intersected in previous historical drilling, and shows that the mineralization is open at depth and along strike to both the north and south.

Initial results from both Kaniago (Adansi) and Fromenda confirm the broader gold potential of the regional structures (Abore, Nkran and Fromenda Shears) within the Asankrangwa Gold Belt.

b) Kubi Project

During the Quarter, final results from the submitted 4,751 assays were received from the 10,000m auger sampling program at the Kubi Gold Project. Results to date have delineated multiple series of gold in auger anomalies on the NE trending Kubi and Ashanti Shears, and a series of ENE structure corridors (8 in total), which is considered a favourable control for gold mineralisation in Ghana, have been interpreted from aeromagnetic data to regularly cut across the soil anomalies. PMI commenced aircore/RAB and diamond drill testing of the soil anomalies during the Quarter, and next Quarter will continue further aircore and diamond drilling over the remainder of suitable areas of the project to delineate further gold anomalies.

c) Asanko Project

PMI commenced an evaluation and prioritization of targets within the Obotan and Asanko Project concessions, with targets areas within 20km of Nkran deposit being redefined as the Obotan Area of Influence. Exploration undertaken within the Area of Influence was the main focus of work during the Quarter and is reported within Obotan results above. All remaining concessions south of the Obotan Area of Influence form the Asanko Project.

Field work at the Asanko Project consisted of cutting access lines, drill pad preparation and surface mapping in preparation for a proposed aircore drill program. The aircore drill program is designed to evaluate RC and diamond drill results of historical targets previously generated from historic geochemical data and geophysical interpreted structures.

Results of Operations

The Company is currently engaged in mineral exploration and development, and does not have revenues from its operations. Costs related to the acquisition and exploration of mineral properties are capitalized by property, whilst regulatory and other expenditures incurred to maintain the administrative infrastructure required to operate in Canada, Australia and Barbados are expensed.

Revenues

The Company has not yet embarked on mining production activity and consequently does not have revenue from its operations. Operations are currently limited to mineral property acquisition, exploration and development.

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the current quarter and historically for the preceding eight quarters ending March 31, 2012.

	IFRS							Canadian GAAP*
$'000	2012			2011				2010
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Loss before other items and income taxes	(1,876)	(1,271)	(1,952)	(1,116)	(1,582)	(1,818)	(814)	(1,268)
Other Items and income taxes	423	457	115	444	(33)	12	(26)	(23)
Loss for the period	(1,453)	(814)	(1,837)	(672)	(1,615)	(1,806)	(840)	(1,291)
Basic and diluted Net Loss per share	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

*This financial data has been prepared in accordance with Canadian generally accepted accounting principles.

For the Three and Nine months ended March 31, 2012

	Three months ended March 31		Nine months ended March 31	
	2012	2011	2012	2011
Amortization	$ 21,479	$ 530	$ 39,165	$ 1,658
Consulting fees	409,309	-	560,142	-
Directors' fees	242,353	295,133	485,469	438,408
Foreign exchange (gain) loss	(23,497)	(359,474)	169,978	(517,533)
Office and miscellaneous	289,321	83,025	866,705	147,593
Professional fees	249,133	257,356	746,401	556,912
Shareholder communications	64,497	165,181	159,827	467,893
Share-based payments	323,501	1,002,965	1,454,236	2,662,830
Transfer agent and regulatory fees	47,252	60,313	113,551	165,495
Travel and promotion	253,302	171,273	491,467	410,072
Write-off of exploration and evaluation assets	-	-	13,396	-
Interest and financing costs	-	1,527	-	4,381
Gain on disposal of equipment	-	-	2,817	-
Interest income	(436,333)	(62,662)	(1,005,921)	(76,303)
Income taxes	12,685	-	12,685	-
Loss for the period	$ 1,453,002	$ 1,615,167	$ 4,104,284	$ 4,261,406

The loss for the three months ended March 31, 2012 was $1,453,002 as compared to a loss of $1,615,167 for the three months ended March 31, 2011. The major reasons for the decrease in the loss were the significant increase in interest income on funds held, and a significant decrease in the share-based payment expense, offset by a decrease in the foreign exchange gain from the comparative period.

Share-based payment expense is calculated at $323,501 for the three months ended March 31, 2012 as compared to $1,002,965 for the three months ended March 31, 2011.

Consulting fees of $409,309 for the three months ended March 31, 2012 increased over the same period in 2011 due to an increase in the Company's corporate and financial activities requiring specialized external consultants.

Office and miscellaneous fees of $289,321 for the three months ended March 31, 2012 increased by $206,296 over the same period of 2011 due to rental of an additional office space, increase of office support staff and associated employment expenses and the increase in investor relations, advertising and promotion for the Company.

The loss for the nine months ended March 31, 2012 was $4,104,284 as compared to a loss of $4,261,406 for the nine months ended March 31, 2011. The major reasons for the decrease in the loss were the significant increase in interest income on funds held, and a significant decrease in the share-based payment expense, offset by an increase in the foreign exchange loss (as compared to a gain in the comparative period).

Share-based payment expense is calculated at $1,454,236 for the nine months ended March 31, 2012 as compared to $2,662,830 for the nine months ended March 31, 2011. Unfavourable exchange loss movements were recorded arising from movements between Canadian dollars, US dollars, Australian dollars and Ghana cedis. The Company earned interest income of $1,005,921 compared to $76,303 in the comparative period due to substantially larger amounts of funds being on deposit than in 2011.

Treasury Summary

Capital Stock Summary

	Number of shares	Amount	Contributed Surplus
Balance March 31, 2012	260,520,084	$118,266,107	$7,276,018

Warrants Summary

The following share purchase warrants were outstanding at March 31, 2012;

Number of Warrants	Exercise Price	Maximum Future Proceeds
15,680,000	$0.20 to $0.62	$4,186,000

Options Summary

The following options were outstanding at March 31, 2012;

Number of Options Outstanding	Exercise Price	Maximum Future Proceeds	Number of Options Vested
14,542,500	$0.20 to $2.00	$14,978,775	6,989,167

Liquidity and Capital Resources

As at March 31, 2012, the Company had cash resources of $49,256,681 compared to $28,659,345 at June 30, 2011.

As a mineral exploration and development company with no current production or revenue from mining operations, the Company's cash flows consist of cash outflows for administrative expenses, salaries, property acquisition and evaluation, exploration, development, and expenditures for depreciable equipment. Financing activities, such as share issuances and shareholder loans, result in cash inflows to the Company. Since its inception, the Company has relied on capital markets (and in particular, equity markets) to fund its exploration and development activities as well as its investments in machinery and equipment. The longer term continuation of the Company as a going concern necessitates the creation of a revenue stream from its mineral assets.

The Company currently has operating lease agreements for office premises in Canada, Ghana and Australia. The total commitment over the next five fiscal years relating to these leases totals approximately $735,000 as follows:

2012	$	50,565
2013		182,368
2014		162,718
2015		167,131
2016		171,815

The Company also has an operating lease agreement for a mobile laboratory stationed in Ghana. The total commitment remaining relating to this lease is $192,295 (US$192,815). The lease was entered into on October 27, 2011 and is for a period of twelve months, therefore the commitment will be completed by November 2012.

The Company has current exploration commitments to the Minerals Commission of Ghana totaling approximately US$2.4 million.

The Company also has agreed to pay US$4.5 million to the Anglican Church by September 2012 relating to a land access agreement the Company entered into during the current period.

Related Party Transactions

During the nine months ended March 31, 2012, the Company:

- Paid or accrued $330,493 (2011 - $58,717) for management fees to Collin Ellison, the President and CEO of the Company;
- Paid or accrued $23,895 (2011 - $Nil) for management fees to Michael Gloyne, the COO of the Company;
- Paid or accrued $227,590 (2011 - $Nil) for professional fees to Michael Allen, the CFO of the Company;
- Paid or accrued $26,250 (2011 - $8,750) for directors' fees and $Nil (2011 - $59,000) for consulting fees to Dr. John Clarke, a director of the Company;
- Paid or accrued $26,578 (2011 - $18,055) for directors' fees and $16,545 (2011 - $Nil) capitalized to exploration and evaluation assets to J.H. Mensah, a director of the Company;
- Paid or accrued $50,865 (2011 - $32,117) to Peter Buck for directors' fees;
- Paid or accrued $27,389 (2011 - $11,686) to Ross Ashton for directors' fees;

- Paid or accrued $3,000 (2011 - $Nil) to Len Dennis, a former director of the Company;
- Paid or accrued $90,000 (2011 - $116,723) for professional fees included in exploration and evaluation assets to a firm controlled by Thomas Ennison, a director of the Company's Ghanaian subsidiary; and
- Paid or accrued $37,983 (2011 - $38,473) for property option and sustaining payments included in deferred exploration costs to firms controlled by Thomas Ennison and Douglas Macquarie, two directors of the Company's Ghanaian subsidiary.
- Paid or accrued $49,000 (2011 - $Nil) for professional fees and $36,750 (2011 - $Nil) for professional fees to a company controlled by Marion McGrath, the Company's Canadian corporate secretary.
- Paid or accrued $57,101 (2011 - $Nil) for professional fees to a company controlled by Ian Hobson, the Company's Australian corporate secretary.
- Included in accounts payable and accrued liabilities at March 31, 2012 is $409,359 (2011 - $67,560) owing to related parties, all in respect of and to the above transactions.

Amounts due from and to related parties are unsecured, non-interest bearing with no specific terms of repayment.

Off-Balance Sheet Arrangements

As at the date of this report, the Company has not entered into any off-balance sheet arrangements.

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

Exploration and evaluation expenditure:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests:

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge; title to all of its properties is in good standing.

Income taxes:

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions:
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the financial statements at Note 9.

Accounting Policies including Subsidiaries and Initial Adoption

The accounting policies and methods of application are disclosed in the notes to the Company's unaudited consolidated financial statements for the period ended March 31, 2012. Certain policies may differ from those previously reported under pre-changeover Canadian GAAP as a result of the transition to IFRS. The accounting policies used are those intended to be used in the current year annual financial statements. The impact of conversion to IFRS is disclosed in note 13 of the condensed consolidated interim financial statements.

Financial Instruments

Fair Value

The Company's financial instruments include cash, receivables, accounts payable and accrued liabilities. The carrying value of these financial instruments approximates fair value due to their short-term to maturity and the normal market conditions they entail.

Financial Risk

Financial risk is risk arising from changes in interest rates and foreign currency exchange rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. Total net current assets denominated in foreign currencies at March 31, 2012 had a Canadian dollar equivalent of $8,600,926 and a 10% movement in the Canadian dollar would result in increase/decrease to net income of $860,093. Management manages its capital by maintaining the bulk of its cash in Canada and Australia.

Credit Risk

Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable, which are generally negligible, and it is management's opinion that the Company is not exposed to any significant credit risk from financial instruments.

Liquidity Risk

The existing financial resources are not sufficient to bring any of the Company's properties into commercial production. The Company will need to obtain additional financing from external sources in order to fund the development of the Obotan, Kubi or Asanko properties. There is no assurance that the Company will be able to obtain financing on favorable terms, which could result in a delay or postponement of further exploration and development plans.

Failure to meet its obligations and commitments would require the Company to restate its assets and liabilities on a liquidation basis, which amounts would differ materially from the going concern basis.

Risks and Uncertainties

Investment Risk

It is not expected that the Company's mineral properties will create positive cash flow for the Company in the near future, as this is dependent upon bringing a mine to production.

Issuer Risk

The Company does not have an established record of earnings and financial performance against which its operations can be easily evaluated.

The Company intends to retain future earnings to finance growth and expand operations and does not anticipate paying any dividends until it has sustainable, profitable production.

Operating Risk

Exploration and development involves significant capital investment. While a recommended work program has been identified for the Company's Ghanaian concessions, there is no assurance that financing will be adequate to complete the recommended work program. Additional financing may be required and there is no assurance that the Company will be able to raise the additional funds required.

Title to mining properties involves certain inherent risks. The Company has investigated title to all of its mineral properties and, to the best of its knowledge title to all of its properties is in good standing. The properties in which the Company has committed to earn an interest are located in Ghana, West Africa and the Company is therefore relying on title opinion by legal counsel who is basing such opinions on the laws of Ghana.

The success of the Company will depend on management and key personnel, particularly those individuals with mineral exploration and development expertise. Loss of such management or personnel could adversely affect the success of the business operations and prospects of the Company. The Company currently does not have key man insurance in place.

Certain directors of the Company or its subsidiaries are associated with other natural resource companies which could give rise to conflicts of interest. In addition, some of the directors and officers of the Company have either full time employment or other business or time restrictions placed on them and accordingly, these directors and officers will not devote their whole time to the affairs of the Company.

Foreign Operations and Political risk

The Company is operating in a country that currently has varied political and economic environments. As such, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights, opposition from environment or other non-governmental organizations, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Exploration and development may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and productions, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Commodity Price Risk

Longer term plans as a gold producer are dependent upon sustained gold commodity prices at a level which permits profitable exploitation of the Company's resources. A substantial decline in the price of gold on world markets could conceivably result in a re-evaluation of project viability.

Industry Risk

Mineral exploration involves significant risk and the mining industry is highly speculative. Areas of uncertainty include the size and nature of the mineral resource, environmental issues associated with exploitation and the activity of competitors. Shareholders of the Company should therefore be willing to risk their entire investment.

Environmental Risks

Inherent in mining and exploration operations is a real environmental risk. The legal framework governing this area is constantly developing. Accordingly, the Company is unable to fully ascertain any future liability that may arise from any new laws or regulations.

Mineral exploration and production can be environmentally sensitive activities which can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attached to the tenements, failure to meet such conditions could lead to forfeiture of these tenements.

The Ministry of Lands Forestry and Mines of Ghana from time to time reviews the environmental bonds that are placed on tenements in Ghana. The directors of the Company are not in a position to state whether a review in respect of any of the Company's projects is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Risks Associated with Acquiring "Social License"

Advancing a mineral deposit to commercial production involves the acceptance of local communities many of whom own the surface rights overlying the deposit or mineral rights which the Company controls and upon which the Company is performing feasibility studies. "Social license" is a broad term used to describe community acceptance of the proposed development project, a condition that is commonly required for the issuance of final permits and project financing. The Company dedicates considerable efforts towards community relations, providing information, labour opportunities, and open forums for discussion. While the Company believes that it currently has strong community support for its Obotan and Kubi Projects, there is no certainty that the permitting process and field work required for engineering studies will not be delayed or suspended due to a change in attitude by the communities, their authorities, or outside influence.

Penalties, Sanctions and Bankruptcy

No penalties, sanctions, declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointment of a receivers, receiver managers, or trustees to hold assets in effect in the last 10 years was levied against any director, senior officer or control person of the Issuer or any issuer of which any of the above persons was a director, senior officer or control person at the time.

Investor Relations

Investor relations are largely managed "in-house" through telephone and email contact with investors in addition to providing web site information and regular news releases. In addition selected marketing campaigns have been undertaken in Australia, Europe, Asia, USA and Canada to increase the Company's exposure to new investors.

Segmented Information

The Company primarily operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties in Ghana. The Company's total assets, arranged geographically, are as follows:

		March 31, 2012		June 30, 2011
Assets				
Canada	$	35,143,514	$	2,395,363
Ghana		56,327,517		31,909,610
Australia		14,450,732		26,965,956
	$	105,921,763	$	61,270,929

Disclosure Controls

Internal Controls Over Financial Reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with Canadian general accepted accounting principles ("GAAP"). Any system of internal control over financial reporting ("ICFR"), no matter how well-designed, has inherent limitations. Therefore, even well-designed systems of internal control can provide only reasonable assurance with respect to financial statement preparation and presentation.

In accordance with the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company's management, including the Chief Executive Officer and Chief Financial Officer, acknowledges responsibility for the design and operation of disclosure controls and procedures ("DC&P") and ICFR, and the requirement to evaluate the effectiveness of these controls on an annual basis.

There have been no changes in the Company's ICFR for the nine months ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, ICFR.

Subsequent Event

Subsequent to March 31, 2012, the Company issued 500,000 common shares pursuant to the exercise of share purchase warrants for proceeds of $304,186 (AUD$300,000).

Other MD&A Requirements

As at May 15, 2012, the Company has 261,020,084 common shares outstanding, 15,080,000 warrants and 14,542,500 stock options outstanding. If the Company were to issue 15,080,000 common shares upon the conversion of all of its outstanding warrants and 6,989,167 common shares upon the conversion of all of its outstanding vested stock options, it would raise $9,076,833

Competent Person Statement

PMI filed a NI43-101 compliant technical report on the Obotan Project outlining the Mineral Resources and Reserves Estimate and the result of a Pre-Feasibility Study on March 9, 2012.

The NI43-101 technical report was authored by Peter Gleeson B.Sc. (Hons), M.Sc, MAIG, MGSA Principal Consultant Geology for SRK Consulting; Duncan Pratt BEng (Hons), MAusIMM, (CP) Senior Consultant Mining for SRK; Kobus de Plooy BSc (Geology), GDE Mining Engineering (Rock Mechanics), Principal Consultant Geotechnical Engineering for SRK Consulting and Bill Gosling BEng (Extractive Metallurgy), MBA, FAusIMM, Senior Process Engineer for GR Engineering Services. Each of these persons is a Qualified Person under NI 43-101, are independent of PMI and have verified the data in the report which is included in this MD&A.. Collin Ellison, President & CEO, MIMMM, C.Eng, a "qualified person" within the definition of that term in NI43-101, has supervised the preparation of the technical information regarding the Company's mineral projects which is not covered by the filed NI43-101 technical report on the Obotan Project.

The NI43-101 technical report and the associated certificates and consents are available on the SEDAR website at www.sedar.com.

Forward-Looking Statements

Any forward-looking statement or information only speaks as of the date on which it was made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such.

CORPORATE DATA

May 15, 2012

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DIRECTORS & OFFICERS

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Michael Allen	Chief Financial Officer
Michael Gloyne	Chief Operating Officer
Thomas Ennison	Executive Director
Peter Buck	Non-Executive Independent Director
Ross Ashton	Non-Executive Independent Director
Hon J.H. Mensah	Non-Executive Independent Director
Dr. John Clarke	Non-Executive Director
Marion McGrath	Corporate Secretary
Ian Hobson	Corporate Secretary

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CAPITALIZATION
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Frankfurt/Berlin “PN3N”
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