

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

PMI GOLD
C O R P O R A T I O N

For the three month period ended September 30, 2012
(Unaudited)

Notice of no auditor review of the interim financial statements

The accompanying unaudited interim financial statements of PMI Gold Corporation ("PMI" or the "Company"), for the three months ended September 30, 2012, have been prepared by management and have been approved by the Audit Committee and board of Directors of the Company.

These unaudited interim financial statements have not been the subject of a review by the Company's auditor.

PMI GOLD CORPORATION

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	September 30, 2012	June 30, 2012
		(Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 26,667,749	\$ 40,722,548
Receivables (note 4)	173,951	235,569
Prepaid expenses	543,931	475,601
	<u>27,385,631</u>	<u>41,433,718</u>
Property & equipment (note 5)	1,058,633	1,015,955
Exploration and evaluation assets (note 6)	77,423,499	64,203,875
	<u>\$ 105,867,763</u>	<u>\$ 106,653,548</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 6,439,005	\$ 8,582,163
Shareholders' equity:		
Share capital (note 8)	122,359,209	119,578,794
Reserves (note 8)	8,391,967	8,034,686
Deficit	(31,322,418)	(29,542,095)
	<u>99,428,758</u>	<u>98,071,385</u>
	<u>\$ 105,867,763</u>	<u>\$ 106,653,548</u>

Corporate information (note 1)
Subsequent events (note 13)

See accompanying notes to the condensed consolidated interim financial statements.

Approved by the Board:



President & Chief Executive Officer



Director

PMI GOLD CORPORATION

Condensed Consolidated Interim Statements of Operations, Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)
Three months ended September 30,

	2012	2011
Expenses:		
Amortization	\$ 12,941	\$ 8,212
Professional and consulting fees	374,579	232,378
Directors' fees and costs	219,819	121,135
Foreign exchange loss	71,596	523,831
Office and support costs	326,618	173,025
Salaries and benefits	241,594	129,892
Shareholder communications	78,211	40,431
Share-based payments (note 9(b))	248,496	560,110
Transfer agent and regulatory fees	75,895	50,860
Travel and promotion	192,970	98,515
Write-off of exploration and evaluation assets	-	13,396
Loss from operations	(1,842,719)	(1,951,785)
Other income:		
Interest income	64,663	115,069
	64,663	115,069
Loss and comprehensive loss before taxes	(1,778,056)	(1,836,716)
Income taxes	(2,267)	-
Loss and comprehensive loss for the period	(1,780,323)	(1,836,716)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Basic and diluted weighted average number of common shares outstanding	273,725,682	198,153,171

See accompanying notes to the condensed consolidated interim financial statements.

PMI GOLD CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)
Three months ended September 30,

	2012	2011
Cash provided by (used in):		
Operating activities:		
Loss for the period	\$ (1,780,323)	\$ (1,836,716)
Items not affecting cash:		
Amortization	12,941	8,212
Share-based payments	248,496	560,110
Write-off of exploration and evaluation assets	-	13,396
	(1,518,886)	(1,254,998)
Changes in non-cash working capital items:		
Receivables	61,618	131,712
Prepaid expenses	(68,330)	(272,084)
Accounts payable and accrued liabilities	(453,850)	(99,369)
	(1,979,448)	(1,494,739)
Investing activities:		
Additions to property & equipment	(141,762)	(253,033)
Additions to exploration and evaluation assets	(14,635,589)	(5,152,044)
	(14,777,351)	(5,405,077)
Financing activities:		
Shares issued for cash	2,702,000	653,000
	2,702,000	653,000
Increase in cash and cash equivalents during the period	(14,054,799)	(6,246,816)
Cash and cash equivalents, beginning of period	40,722,548	28,659,345
Cash and cash equivalents, end of period	\$ 26,667,749	\$ 22,412,529
Effect of exchange rate fluctuations on cash held	\$ (254,807)	\$ (523,830)
Cash paid during the period for income taxes	2,267	-
Cash received during the period for interest	56,463	115,069

Supplemental disclosure with respect to cash flows (note 10)

See accompanying notes to the condensed consolidated interim financial statements.

PMI GOLD CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Deficit	Total
Balance, June 30, 2011	197,934,584	\$ 76,701,915	\$ 6,256,463	\$ (23,172,312)	\$ 59,786,066
Loss for the period	-	-	-	(1,836,716)	(1,836,716)
Exercise of options	200,000	50,000	-	-	50,000
Exercise of warrants	2,010,000	603,000	-	-	603,000
Reallocation on exercise of options	-	30,460	(30,460)	-	-
Share-based payments	-	-	560,110	-	560,110
Balance, September 30, 2011	200,144,584	77,385,375	6,786,113	(25,009,028)	59,162,460
Balance, June 30, 2012	262,170,084	\$ 119,578,794	\$ 8,034,686	\$ (29,542,095)	\$ 98,071,385
Loss for the period	-	-	-	(1,780,323)	(1,780,323)
Exercise of options	380,000	111,000	-	-	111,000
Exercise of warrants	12,955,000	2,591,000	-	-	2,591,000
Reallocation on exercise of options	-	78,415	(78,415)	-	-
Share-based payments	-	-	435,696	-	435,696
Balance, September 30, 2012	275,505,084	\$ 122,359,209	\$ 8,391,967	\$ (31,322,418)	\$ 99,428,758

See accompanying notes to the condensed consolidated interim financial statements

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

1. Corporate Information

PMI Gold Corporation (“PMI” or the “Company”) was incorporated in British Columbia. The consolidated financial statements of the Company as at and for the year ended June 30, 2012 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The principal business of the Group is the acquisition, exploration, and development of mineral properties. The Company has two subsidiaries; Adansi Gold Company Ghana Limited (“Adansi”) is incorporated in Ghana and Nevsun Resources (Ghana) Ltd (“NS Ghana”) is incorporated in Barbados. The Group’s principal properties are located in Ghana, West Africa with the Obotan Project advancing towards a development decision and the Kubi Project subject to advanced exploration. The Group has several other mineral concessions in Ghana in various stages of exploration to determine whether they contain economically viable mineral deposits.

The Company’s head office, principal address and registered and records office is 408-837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6.

The Company has not generated revenues from operations. These condensed consolidated interim financial statements have been prepared assuming the Company will continue as a going concern which contemplates the ability of the Company to realize its assets and discharge its liabilities in the normal course of business. These condensed consolidated interim financial statements do not include adjustments that would have been required if going concern were not an appropriate basis for preparation of the financial statements.

The Company, through acquisition and exploration of mineral properties, has incurred losses since inception and is currently not generating any revenues aside from interest income. For the three months ended September 30, 2012, the Company had net cash outflows of \$14,054,799 (2011-\$6,246,816). At September 30, 2012, the Company’s cash and cash equivalents balance was \$26,667,749 (June 30, 2012-\$40,722,548) and working capital was \$20,946,626 (June 30, 2012-\$32,851,555).

The Company’s ability to continue as a going concern on a longer term basis depends on its ability to successfully raise additional financing for further exploration activity and development or to enter into profitable operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

2. Basis of presentation and statement of compliance:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (“International Accounting Standards Board”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34-Interim Financial Reporting. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company’s audited annual financial statements for the year ended June 30, 2012.

These consolidated financial statements were authorized for issue by the Board of Directors on November 14, 2012.

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

2. Basis of presentation and statement of compliance (continued):

(b) Basis of consolidation and presentation:

These condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2012.

Certain comparative figures have been reclassified for current period presentation purposes.

3. Accounting standards, amendments and interpretation issued but not yet effective:

A new number of IFRS standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2012, and have not been applied in preparing these condensed consolidated interim financial statements. None of these standards are expected to have a significant effect on the condensed consolidated interim financial statements of the Group.

4. Receivables:

The Company's receivables are as follows:

	September 30, 2012	June 30, 2012
HST/GST receivable	\$ 89,194	\$ 163,635
Interest receivable	16,071	7,870
Other receivables	68,686	64,064
	<u>\$ 173,951</u>	<u>\$ 235,569</u>

5. Property & equipment:

	Field tools & equipment	Vehicles	Furniture & equipment	Computer equipment	Total
Cost					
Balance at June 30, 2012	\$ 224,750	\$ 793,946	\$ 248,009	\$ 421,302	\$ 1,688,007
Additions	-	-	38,862	102,900	141,762
Balance at September 30, 2012	<u>\$ 224,750</u>	<u>\$ 793,946</u>	<u>\$ 286,871</u>	<u>\$ 524,202</u>	<u>\$ 1,829,769</u>
Amortization					
Balance at June 30, 2012	\$ 77,072	\$ 232,859	\$ 84,895	\$ 277,226	\$ 672,052
Additions	11,076	42,082	9,734	36,192	99,084
Balance at September 30, 2012	<u>\$ 88,148</u>	<u>\$ 274,941</u>	<u>\$ 94,629</u>	<u>\$ 313,418</u>	<u>\$ 771,136</u>
Carrying amounts					
Balance at June 30, 2012	\$ 147,678	\$ 561,087	\$ 163,114	\$ 144,076	\$ 1,015,955
Balance at September 30, 2012	<u>\$ 136,602</u>	<u>\$ 519,005</u>	<u>\$ 192,242</u>	<u>\$ 210,784</u>	<u>\$ 1,058,633</u>

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

6. Exploration and evaluation assets:

The Company has incurred the following exploration and evaluation asset expenditures for the three months ended September 30, 2012:

	Obotan	Asanko	Kubi	Total
Acquisition costs:				
Balance, June 30, 2012	\$ 6,531,674	\$ 1,506,965	\$ 5,621,700	\$ 13,660,339
Additions during the period	7,838,074	-	-	7,838,074
Balance, September 30, 2012	14,369,748	1,506,965	5,621,700	21,498,413
Exploration and evaluation expenditures:				
Balance, June 30, 2012	35,943,065	6,723,869	7,876,602	50,543,536
Additions during the period:				
Pre-feasibility costs	1,309,413	-	-	1,309,413
Assaying testing and analysis	97,288	135,925	89,427	322,640
Contract labour	26,628	6,227	12,101	44,956
Drilling	797,139	508,802	336,524	1,642,465
Field office	39,831	147,076	169,545	356,452
Geology and geophysics	181,274	48,817	55,671	285,762
Lease rental and claims maintenance	387,485	8,488	3,774	399,747
Legal	40,645	2,053	4,039	46,737
Project management and related exploration costs	595,132	151,408	212,128	958,668
Transportation and travel	8,439	2,100	4,171	14,710
	3,483,274	1,010,896	887,380	5,381,550
Balance, September 30, 2012	39,426,339	7,734,765	8,763,982	55,925,086
Total, September 30, 2012	\$ 53,796,087	\$ 9,241,730	\$ 14,385,682	\$ 77,423,499

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
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For the three months ended September 30, 2012

6. Exploration and evaluation assets (continued):

The Company has incurred the following exploration and evaluation asset expenditures for the year ended June 30, 2012:

	Obotan	Asanko	Kubi	Total
Acquisition costs:				
Balance, June 30, 2011	\$ 1,523,042	\$ 1,506,965	\$ 5,621,700	\$ 8,651,707
Additions during the year	5,008,632	-	-	5,008,632
Balance, June 30, 2012	6,531,674	1,506,965	5,621,700	13,660,339
Exploration and evaluation expenditures:				
Balance, June 30, 2011	14,982,789	3,586,297	4,132,584	22,701,670
Additions during the year:				
Pre-feasibility costs	4,623,076	-	-	4,623,076
Assaying testing and analysis	638,460	113,276	132,695	884,431
Contract labour	152,066	24,240	43,288	219,594
Drilling	9,586,296	2,419,046	2,397,589	14,402,931
Field office	926,807	43,875	146,956	1,117,638
Geology and geophysics	1,242,463	152,398	299,655	1,694,516
Lease rental and claims maintenance	1,275,578	49,398	110,407	1,435,383
Legal	218,818	16,758	22,782	258,358
Project management and related exploration costs	2,219,242	323,165	572,733	3,115,140
Transportation and travel	77,470	12,795	17,913	108,178
Write off of exploration costs	-	(17,379)	-	(17,379)
	20,960,276	3,137,572	3,744,018	27,841,866
Balance, June 30, 2012	35,943,065	6,723,869	7,876,602	50,543,536
Total, June 30, 2012	\$ 42,474,739	\$ 8,230,834	\$ 13,498,302	\$ 64,203,875

(a) Properties held by the Company:

All of the Company's exploration and evaluation assets consist of leases, licenses and options covering mineral concessions and are located in Ghana, West Africa. The majority of the licences are held by Adansi. NS Ghana holds a 100% interest in the Kubi Mining Leases.

PMI GOLD CORPORATION

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(Unaudited)
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For the three months ended September 30, 2012

6. Exploration and evaluation assets (continued):

(b) Exploration property summary:

The Company holds interests in the concessions summarized below. All concessions carry a 10% carried Net Profits Interest Royalty ("NPI") and, on issue of a Mining Permit, a 5% NSR to the Ghanaian government. Certain other concessions are subject to a Net Smelter Return Royalty ("NSR") or Net Proceeds of Production royalty ("NPP").

	Interest of original vendor (ii)	NSR on License	NPP on License	Amounts payable under acquisition agreements
Obotan Project				
Abore-Abirem		2%		\$50,000 advance royalty payment per year for Obotan and Asanko projects to related party \$3,000 per quarter to a related party US\$4,500,000 payable on or before December 31, 2012
Adubea		2.5%		
Datano				
Kaniago		2%		
New Obuase		2%		
Amuabaka, Nkronua, Atifi, Gyagyatreso (Switchback) (iii)	10%	2%		
Asanko Project				
Agyakaa Manso (iii)		2%		
Diaso-Afiefiso		2%		
Juabo	15%	2%		
Manhia (iii)		2%		
Kubi Project				
Kubi			3%	
Kubi Forest Reserve			3%	
Dunkwa-Gyimigya				
Gyimigya				

- (i) Under the Ghanaian Minerals and Mining Act prospecting licenses are granted after an initial period as a Reconnaissance Licence. Prospecting licenses have an initial phase (1st phase) and a subsequent renewal phase (2nd phase) where unless they are small in size, a reduction of 50% of the area is required. The 2nd phase is initially for a two year period then has a two year extension period. Further renewals can be granted where 50% reductions are required down to a size of 26.25km².
- (ii) Interest retained by original vendors. These interests are free carried up to any decision to mine.
- (iii) Title is vested in related party Goknet Mining Company Limited. The Company has the rights to Goknet's interest in the concession (subject to the NSR royalty set out above) and title transfers are underway.

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

7. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are as follows:

	September 30, 2012	June 30, 2012
Trade payables	\$ 6,054,187	\$ 6,789,275
Accrued liabilities	384,818	1,792,888
	<u>\$ 6,439,005</u>	<u>\$ 8,582,163</u>

8. Share capital and reserves:

Authorized:

- unlimited common shares, without par value and are fully paid.

During the three months ended September 30, 2012, the Company:

- issued 12,955,000 common shares for gross proceeds totaling \$2,591,000 pursuant to the exercise of warrants.
- issued 380,000 common shares for gross proceeds totaling \$111,000 pursuant to the exercise of stock options. As a result of the exercise, the Company reclassified \$78,415 from contributed surplus to share capital.

During the year ended June 30, 2012, the Company:

- issued 32,373,000 common shares for gross proceeds totaling \$8,181,550 pursuant to the exercise of warrants.
- issued 3,862,500 common shares for gross proceeds totaling \$1,087,500 pursuant to the exercise of stock options. As a result of the exercise, the Company reclassified \$791,228 from contributed surplus to share capital.
- issued 28,000,000 common shares for gross proceeds totaling \$35,000,000 pursuant to the completion of a private placement. The Company paid \$2,183,399 in share issuance costs relating to the private placement.

9. Stock options and warrants:

(a) Stock options:

(i) Option plan:

The Company has adopted a stock option plan (first adopted during the year ended June 30, 2011) covering the grant of options to its directors, officers and employees and reducing the limit to acquire from 20% to 10% of the issued and outstanding common shares. It also limits the number of shares that may be allocated for subscription (upon exercise of the options) to eligible persons in Australia to 5% of the number of issued and outstanding shares. The stock option plan provides that the options are for a maximum term of five years and that the option exercise price shall be for not less than the market price on the grant date.

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

9. Stock options and warrants (continued):

	Number of options	Weighted average exercise price
Balance, June 30, 2011	15,896,874	\$ 0.68
Exercised	(200,000)	0.25
Cancelled / expired	(200,000)	0.50
Balance, September 30, 2011	15,496,874	0.70
Balance, June 30, 2012	15,217,500	1.03
Exercised	(380,000)	0.29
Balance, September 30, 2012	14,837,500	\$ 1.05
Number of options currently exercisable	8,334,167	\$ 0.85

The weighted average remaining contractual life for the share options outstanding as at September 30, 2012 is 3.30 years (2011 – 3.65 years).

As at September 30, 2012, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of options	Exercise price	Expiry date
87,500	\$ 0.20	March 26, 2013
400,000	0.30	September 9, 2014
500,000	0.40	October 28, 2014
2,000,000	1.05	December 15, 2015
5,000,000	0.90	January 20, 2016
500,000	0.90	February 18, 2016
2,000,000	0.80	June 1, 2015
1,750,000	2.00	March 11, 2016
560,000	0.80	June 1, 2016
240,000	0.77	October 2, 2016
200,000	1.17	November 18, 2016
550,000	1.75	November 18, 2016
750,000	1.28	June 7, 2017
300,000	0.86	June 12, 2017
14,837,500		

(b) Share-based payments:

During the three months ended September 30, 2012, the Company granted Nil (2011 – Nil) and cancelled Nil (2011 – 200,000) stock options. For the three months ended September 30, 2012, the share-based payments recognized was \$435,696 (2011 - \$560,110).

PMI GOLD CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in Canadian dollars)

For the three months ended September 30, 2012

9. Stock options and warrants (continued):

(c) Warrants:

Warrant transactions and the number of warrants are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance June 30, 2011	46,803,000	\$ 0.25
Exercised	(2,010,000)	0.30
Balance September 30, 2011	44,793,000	0.24
Balance, June 30, 2012	14,055,000	0.29
Exercised	(12,955,000)	0.20
Expired	(100,000)	0.20
Balance, September 30, 2012	1,000,000	\$ 0.61

As at September 30, 2012, warrants were outstanding enabling the holders to acquire common shares as follows:

Number of warrants	Exercise price	Expiry date
1,000,000	\$ 0.61	December 17, 2013 ⁽¹⁾

(1) subsequent to September 30, 2012, 500,000 warrants were exercised for proceeds of \$305,000

10. Supplemental disclosure with respect to cash flows:

During the three months ended September 30, 2012, significant non-cash investing and financing activities included:

- incurring \$86,143 of amortization expense capitalized to exploration and evaluation assets;
- incurring exploration and evaluation asset expenditures of \$5,697,538 included in accounts payable;
- incurring \$187,200 of share-based payment expense capitalized to exploration and evaluation assets;
- recording of a fair value reversal of \$78,415 out of contributed surplus on the exercise of stock options; and

During the three months ended September 30, 2011, significant non-cash investing and financing activities included:

- recording of a fair value reversal of \$30,460 out of contributed surplus on the exercise of stock options;
- incurring exploration and evaluation asset expenditures of \$2,204,179 included in accounts payable; and
- incurring \$124,539 of amortization expense capitalized to exploration and evaluation assets.

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For the three months ended September 30, 2012

11. Related party transactions:

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel:

	September 30, 2012	September 30, 2011
Executive compensation ⁽¹⁾	\$ 349,273	\$ 211,829
Non-executive directors fees	96,301	59,274
Share-based payments	181,923	495,969
	<u>\$ 627,497</u>	<u>\$ 767,072</u>

(1) Of these, there are \$35,486 (2011 - \$36,449) for professional fees included in deferred exploration costs paid to a firm controlled by an executive director of the Company and \$15,962 (2011 - \$15,651) for property option payments included in deferred exploration costs, made to two companies controlled by an executive director of the Company's Ghanaian subsidiary.

Included in accounts payable and accrued liabilities at September 30, 2012 is \$51,543 (June 30, 2012 - \$456,228) owing to related parties, all in respect of to the above transactions.

12. Segmented information:

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's capital assets are located primarily in the Republic of Ghana.

Geographic information is as follows:

	September 30, 2012	June 30, 2012
Assets:		
Canada	\$ 23,856,124	\$ 34,443,768
Ghana	79,636,809	66,675,729
Australia	2,374,830	5,534,051
	<u>\$ 105,867,763</u>	<u>\$ 106,653,548</u>

13. Subsequent events:

Subsequent to September 30, 2012, the Company:

- Filed its Preliminary Short Form Prospectus, whereas the Company intended to raise proceeds of \$100,002,000 by the issuance of 119,050,000 common shares of the Company priced at \$0.84 per common share. There was an overallotment option for the issuance of up to 17,857,500 common shares, priced at \$0.84 per common share for additional proceeds totaling \$15,000,300. The offering closed successfully on November 13 including the overallotment option.
- Issued 500,000 shares pursuant to the exercise of share purchase warrants for proceeds of \$305,000.