

Extensive Gold Zones Intersected in Latest Drilling at Obotan Project

Robust Results to Help Underpin Resource Upgrade in September Quarter 2011

Highlights:

- **Results from resource extension and in-fill drilling at PMI Gold's flagship Nkran deposit, Obotan Gold Project (Ghana) with broad intersections from latest four diamond holes including¹:**
 - **64.0m @ 1.83g/t Au from 330m**
Including 14.0m @ 2.20g/t
17.6m @ 2.42g/t Au
 - **21.0m @ 1.79g/t Au from 255m,**
Including 10.2m @ 2.87g/t
4.4m @ 5.16g/t
 - **55.0m @ 1.63g/t Au from 338m,**
Including 3.3m @ 3.38g/t Au
3.0m @ 4.58g/t Au
20.0m @ 2.25g/t
- **Broad widths of gold mineralisation below the base of the open pit previously mined by Resolute and within 350 metres of surface (within approximately 200 metres below the base of the open pit), further confirming the potential for both depth and strike extensions.**
- **Results to help underpin updated resource estimate for the Obotan Project, targeted for September Quarter of 2011.**
- **19,000 metres completed of a 40,000 metre extensional and in-fill drilling programme at Obotan.**
- **Three drill rigs currently active at Obotan and additional rigs set to start in second half of 2011 on other satellite targets.**
- **Pre-feasibility study on track for completion at end of calendar 2011.**

¹ Note: a full list of drilling results from all four holes for which assays have been received is provided in Table 1 on page 5 of this Release.

PMI Gold Corporation (TSX-V: PMV) (ASX: PVM) is pleased to report further drilling results from its Obotan Project in Ghana, paving the way for a resource upgrade in the September Quarter of 2011.

The results stem from PMI's aggressive 2011 drilling programmes, which are aimed at a resource upgrade in September Quarter 2011 ahead of a planned Pre-Feasibility Study at the Obotan Project, on track for completion by year-end.

The programmes also include exploration activities at the Kubi Project in Ghana and expanded regional exploration programmes within its extensive ground holding within the regionally mineralised Asankrangwa Gold Belt in Ghana.

Drilling Results, Nkran Deposit – Obotan Project

Obotan, which offers the opportunity for a near-term development project, is the Company's flagship gold project in south-west Ghana (*see Figure 1*). The project comprises four known deposits – the larger Nkran deposit, and the smaller satellite deposits at Abore, Adubiaso and Asuadi (*see Figure 2*). The current global mineral resource estimate for Obotan comprises: Indicated 3.06 million tonnes grading 1.59g/t gold for 156,000oz; Inferred 15.64 million tonnes grading 2.1g/t gold for 1,053,000oz.²

Obotan was mined by Resolute Limited before closing prematurely in 2002 after producing a total of 730,000 ounces at an average grade of 2.2 g/t gold and at a time of low prevailing gold prices averaging US\$350 per ounce.

PMI Gold has to date completed 46 resource extension, confirmation and in-fill diamond drill holes for 19,070 metres at the Obotan Project. Of these, 21 holes have previously been reported, and 4 holes are reported as part of this release. Due to delays in receipt of assay data, the remaining 21 holes are currently held up awaiting data and interpretation. PMI have been advised that this backlog is being addressed and data flow is expected to improve over the next few weeks. The particular drilling programme currently underway at Nkran is aimed at delineating an Indicated Resource down to approximately 350 metres below the surface or 200 metres below the historical Resolute pit which produced approximately 590,000oz to a vertical depth of 150 metres below the current surface. While final assay results are still awaited for a large number of holes, the available data provided by recent detailed drilling suggests that the internal integrity of the deposit continues down dip. Broad spaced drilling below 350 metres indicates that the deposit continues to extend below circa 450 metres, the level tested by the deepest holes completed to date.

The drilling is focused on delineating all potential open pitable resources and ultimately to determine the potential for continued mining down the plunge of the deposit. Better intercepts from the 4 holes reported as part of this release are summarized below. A full list of intersections from the four holes is provided in Table 1 on page 5 below:

- NKR11-032: **3.0m @ 18.38g/t Au** from 349.0m
- NKR11-033: **64.1m @ 1.83g/t Au** from 307.9m:
 - Including 14.0m @ 2.20g/t Au from 307.9 m*
 - 17.6m @ 2.42g/t Au from 330.0 m*
 - 21.6m @ 1.76g/t Au from 350.3m*
- NKR11-034: **21.0m @ 1.79g/t Au** from 255.0m:
 - Including 10.2m @ 2.87g/t Au from 265.7m*
 - 4.4m @ 5.16g/t Au from 359.0m*

² As reported in the technical report entitled "Technical Report Mineral Resources Estimation for the Obotan Gold Projects, Ghana" dated December 8, 2010 and prepared for the Company by Robert Spiers, B Sc (Hons) MAIG, of Hellman & Schofield Pty. Ltd., available at www.sedar.com.

- NKR11-035: **55.1m @ 1.63g/t Au** from 337.9m:
Including 3.3m @ 3.48g/t Au from 337.9m
3.0m @ 4.58g/t Au from 347.0m
20.0m @ 2.25g/t Au from 373.0m

Note: True widths are approximately 60% to 70% of the length of the stated intersection lengths. A full list of intersections from the drilling is provided in Table 1 attached, together with drill hole collar locations shown in Table 2 and on Figure 3 attached. Results for the remaining six holes will be reported once they have been received and collated.

All four holes intersected multiple zones of mineralisation from the parallel Western and Eastern Lodes (see Figures 3 to 5) and the broad, central stockwork zone.

Three diamond drill rigs are presently operating. One rig will remain at Nkran to continue the resource expansion programme and two drill rigs have been relocated, one at each of the satellite deposits, Adubiaso and Asuadi. The purpose is to delineate the potential for shallower occurrences of oxide gold mineralisation which could provide earlier cash flow opportunities. A further three drill rigs have been sourced and are to commence operation later in 2011. Two of these additional drill rigs are multipurpose rigs (RC/Diamond) and one is a RAB/AirCore rig. These types of drill rig will allow PMI Gold to increase the drilling rate and will assist in reducing the overall drilling costs.

The recently completed drill holes at Nkran are part of a broader ongoing circa 40,000 metres drilling campaign designed to upgrade and expand the current gold resource inventory at Obotan. The Obotan drilling programme will be used for a new resource estimate currently scheduled for completion at the end of the September Quarter and will underpin a technical and economic study to be completed by the end of 2011.

As part of the geological appraisal of the Nkran deposit, suitable sites will be identified to drill metallurgical holes for a future metallurgical test work programme and geotechnical holes for a geotechnical programme.

Geological studies have commenced on Nkran and are providing valuable additional information to improve the understanding of the deposit and in particular the controls on the mineralisation and the directions for resource extensions.

As part of the expanded drilling programme, the Company also plans to test for deeper, down-plunge extensions of the mineralisation below the limit of the current resource, greater than 450 metres below the surface (greater than 300 metres below the base of the open pit).

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

1. Indicated Resource of 3.06 million tonnes grading 1.59 g/t gold for 156,000 oz; Inferred Resource of 15.64 million tonnes grading 2.1 g/t gold for 1,053,000 oz., as reported in the December 8, 2010 technical report prepared by Hellman & Schofield Pty. Ltd., available at www.sedar.com.

2. Measured Resource of 0.66 million tonnes grading 5.30 g/t gold for 112,000oz; Indicated Resource of 0.66 million tonnes grading 5.65g/t gold for 121,000oz; Inferred Resource of 0.67 million tonnes grading 5.31 g/t gold for 115,000oz., as reported in the December 3, 2010 technical report prepared by SEMS Exploration Services Ltd., available at www.sedar.com.

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

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 Donald Allen, MASc. P.Eng. (B.C.) and Paul Abbott MSc. Consulting Geologists. 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 programme suggest that the reported results are accurate. Intercepts were calculated with a minimum 1.0 g/t Au cut off at the beginning and the end of the intercept and allowing for no more than ten consecutive metres of less than 0.5 g/t Au internal dilution. Intercepts above 10.0 g/t Au metres are reported separately. Grade x Width intercepts of less than 10.0 g/t Au metres were not reported. True widths are estimated at from 60% to 70% of the stated core length.

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Donald Allen, who is a Member or Fellow of the Association of Professional Engineers of BC, a 'Recognised Overseas Professional Organisation' (ROPO) included in a list promulgated by the ASX from time to time. Donald Allen is employed by PMI Gold Corporation. Donald Allen 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 Exploration Results, Mineral Resources and Ore Reserves'. Donald Allen consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 mineralisation 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 December 8, 2010. In particular, statements relating to the Company's plans to complete a pre-feasibility study on the Obotan 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 programmes, 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.

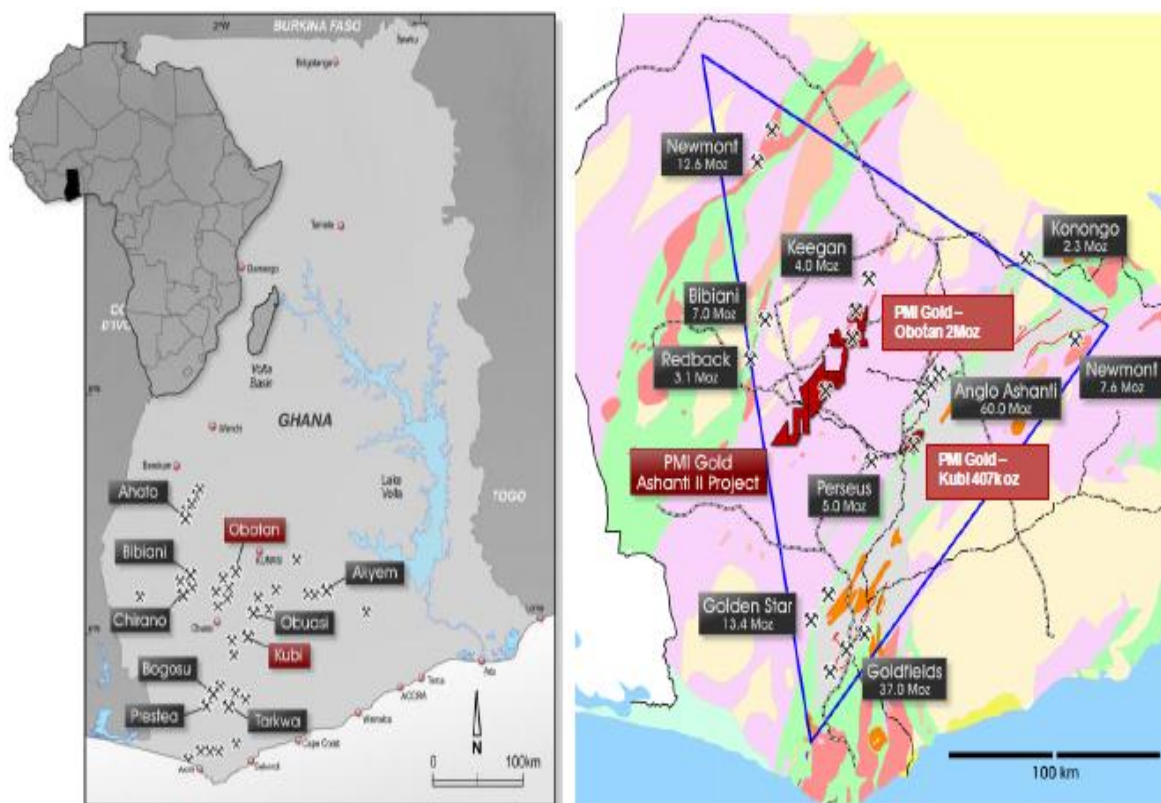
The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

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):

<i>Drill Hole</i>	<i>From Metres</i>	<i>To Metres</i>	<i>Intersection Length Metres</i>	<i>Weighted Avg. Grade g/t Au (uncut)</i>
NKR11-032	255.00	258.50	3.50	3.16
	349.00	352.00	3.00	18.38
	379.40	387.20	7.80	1.79
	404.00	409.00	5.00	1.13
NKR11-033	307.93	372.00	64.07	1.83
including	307.93	322.00	14.07	2.20
including	330.00	347.67	2.42	17.67
including	350.36	372.00	21.64	1.76
NKR11-034	255.00	276.04	21.04	1.79
including	265.76	276.04	10.28	2.87
	295.00	300.00	5.00	2.40
	309.00	311.00	2.00	6.09
	332.00	338.31	6.10	2.52
	359.00	363.48	4.48	5.16
	407.00	411.00	5.00	1.72
	417.00	421.00	4.00	2.08
	440.00	446.61	6.61	1.84
NKR11-035	337.92	393.00	50.08	1.63
including	337.92	341.30	3.38	3.48
including	347.00	350.00	3.00	4.58
including	373.00	393.00	20.00	2.25

**NSR – no significant results

**Figure 1 – PMI Gold Project Locations and Surrounding Deposits**

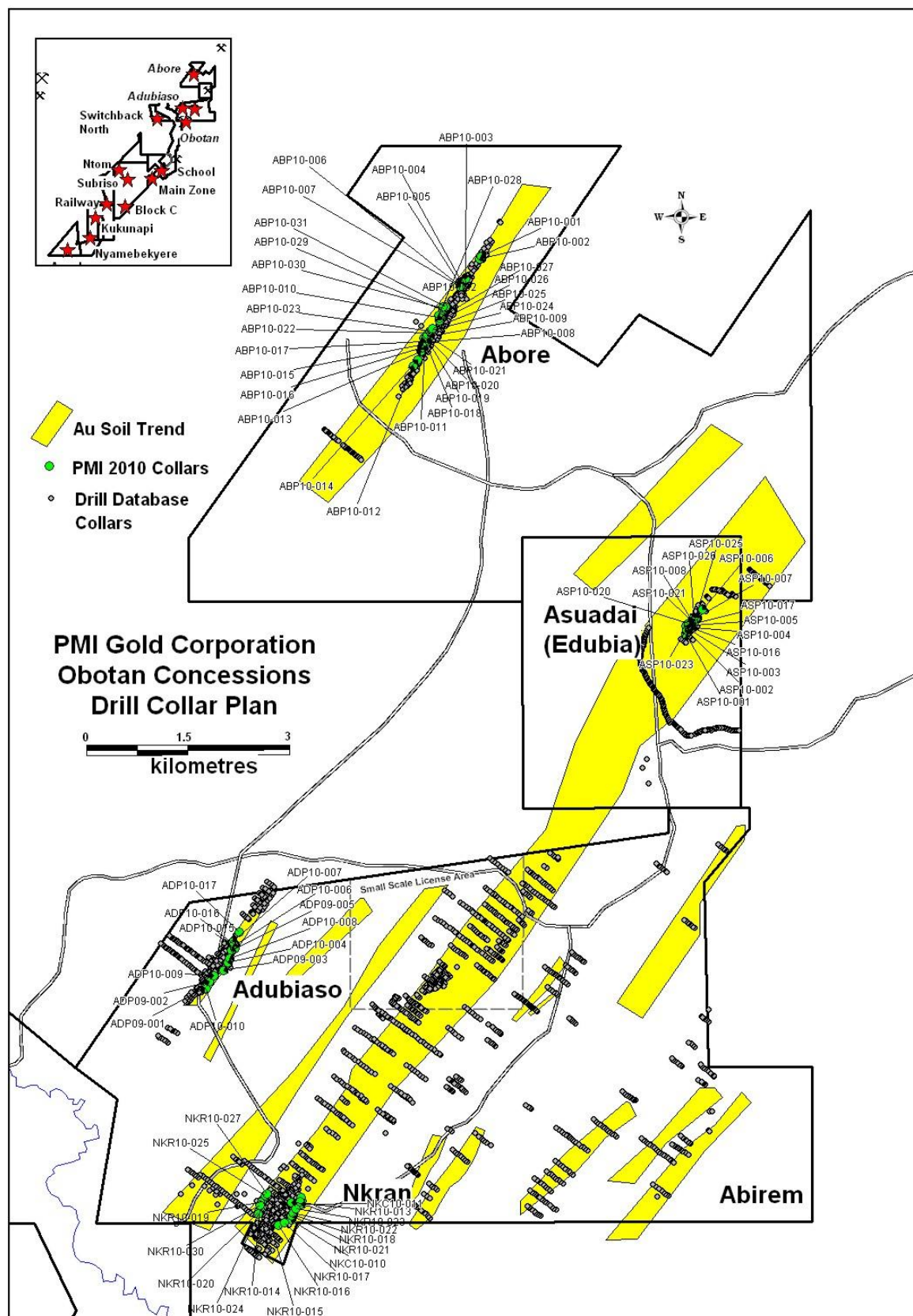


Figure 2 – Obotan Gold Project, Key Deposits showing Historic Drill Coverage

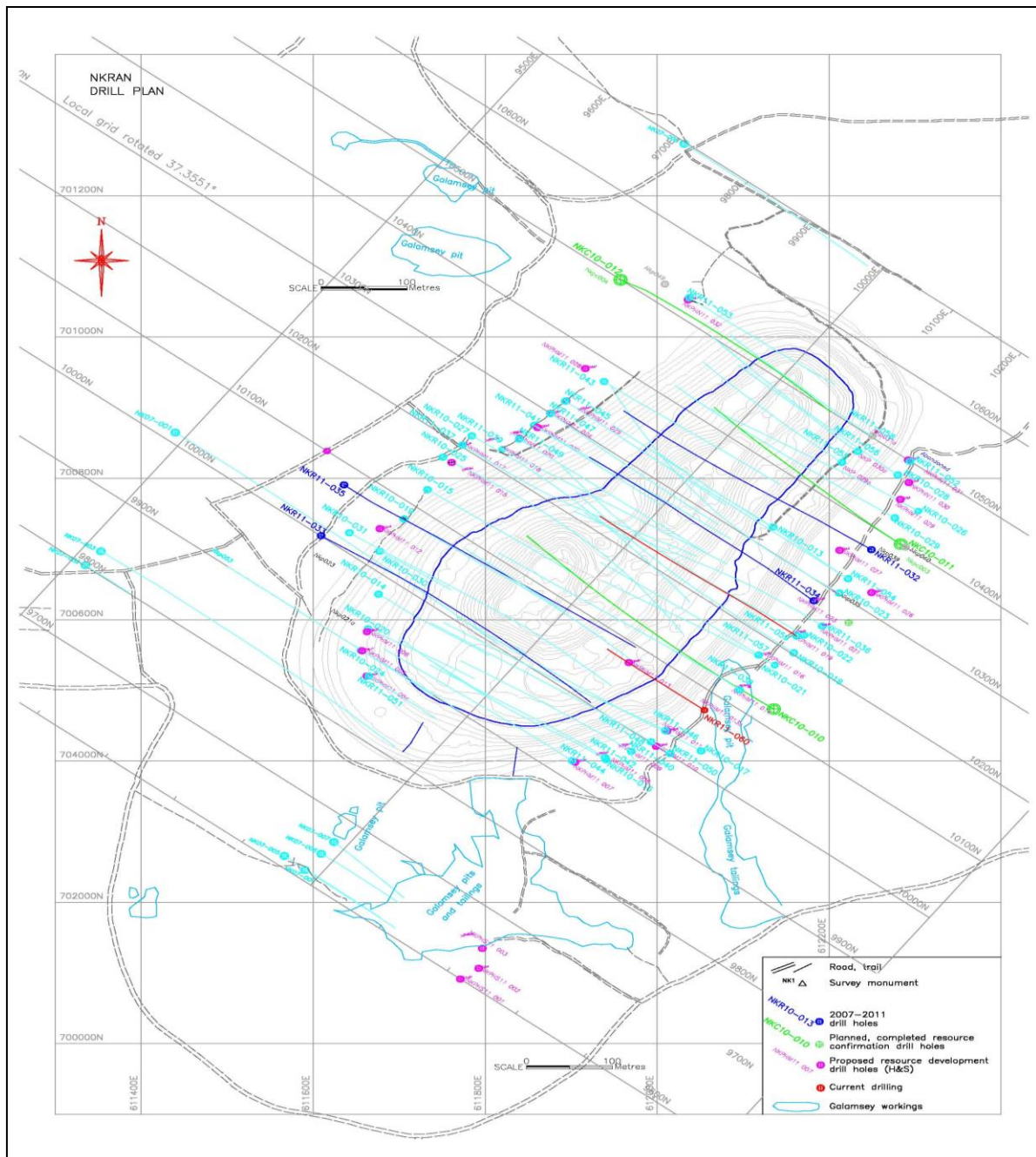


Figure 3 – Recent Drilling, Nkran Deposit showing Drill Hole Locations

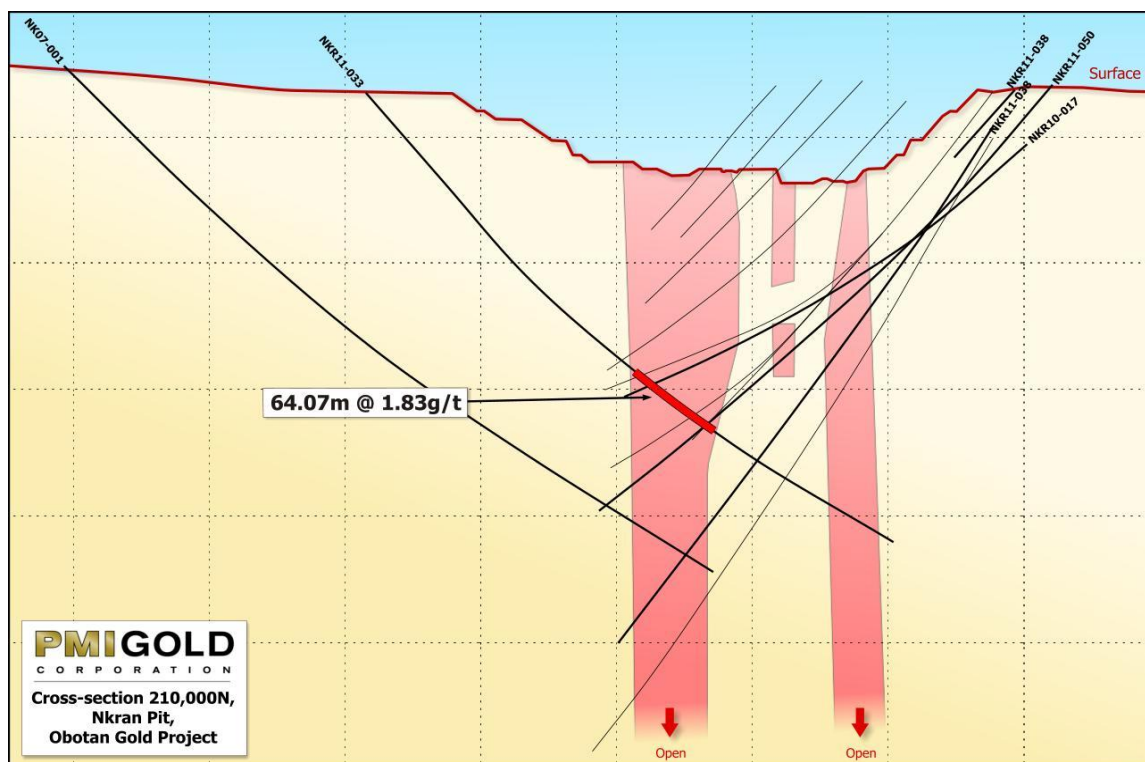


Figure 4 – Cross-Section 210,000N, Nkran Pit, Obotan Gold Project

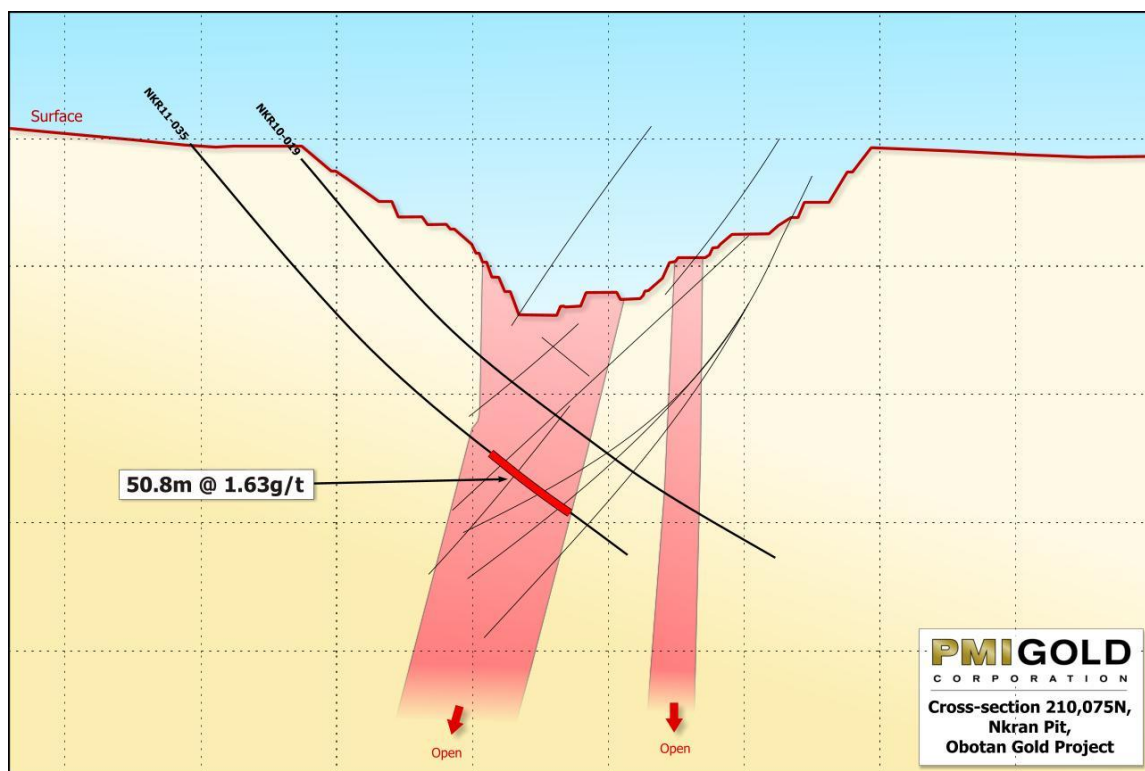


Figure 5 – Cross-Section 210,075N, Nkran Pit, Obotan Gold Project