

## Strong Results from Obotan Gold Project Drilling

*Latest intersections include 57.0m @ 3.48g/t Au & 26.0m @ 8.83g/t Au*

### Highlights

- **Further positive drilling results received from resource extension and in-fill drilling at the key Nkran deposit at PMI's flagship Obotan Gold Project in Ghana**
  - **Broad intersections returned from the latest nine infill diamond holes including<sup>1</sup>:**
    - **42.0m @ 2.83g/t Au from 393m, including:**
      - 11.0m @ 4.19g/t Au from 407m
    - **57.0m @ 3.48g/t Au from 237m, including:**
      - 7.0m @ 8.02g/t Au from 249m
      - 5.0m @ 10.31g/t Au from 289m
    - **26.0m @ 8.83g/t Au from 315m, including:**
      - 9.0m @ 16.29g/t Au from 321m
    - **23.0m @ 3.17g/t Au from 390m, including:**
      - 2.0m @ 23.77g/t Au from 398m
    - **27.0m @ 2.23g/t Au from 419m, including**
      - 13.0m @ 4.06g/t Au from 425m
- **Broad widths of gold mineralisation with high grade sections intersected approximately 150 metres below the base of the previously mined Nkran open pit**
- **Aggressive extensional and resource in-fill diamond drilling programmes continuing at Obotan Gold Project**
- **3 diamond drill rigs continue to operate at Obotan Gold Project**

<sup>1</sup> Note: a full list of drilling results from all nine holes for which assays have been received is provided in Table 1 on page 4 of this Release.

PMI Gold Corporation (TSX-V: PMV) (ASX: PVM) is pleased to report further positive drilling results from ongoing in-fill and resource extension drilling at the key Nkran deposit at its flagship 100%-owned Obotan Gold Project in Ghana, West Africa, where PMI is currently undertaking a Pre-Feasibility Study.

Strong results have been received from nine additional holes (*see Table 1 on page 4 for a full list of intersections*) including several broad intersections of high-grade gold mineralisation.

Eight of the nine infill holes intersected multiple zones of mineralisation from the parallel Western and Eastern Lodes and the broad, central stockwork zone within the Nkran deposit (*see Figures 3, 4 & 5*). The drill holes further confirm the internal integrity of the deposit and indicate the occurrence of higher grade zones within a broad, continuous, lower grade envelope.

The Obotan Gold Project comprises four known deposits – the larger Nkran deposit and the smaller satellite deposits at Abore, Adubiaso and Asuadai (*see Figure 1*). A resource estimate has previously been announced for Obotan Project (dated 31 August 2010, Prospectus dated 17 December 2010).

Obotan was previously mined by Resolute Mining Limited with production totaling 730,000oz at an average grade of 2.2 g/t gold, when the gold price averaged circa US\$350/oz, to a depth of approximately 150 metres below the present surface, before closing in 2002.

The current drilling is focused on defining potential resources for exploitation by open pit and ultimately underground mining down the plunge of the deposit. A new resource estimate is currently scheduled for completion at the end of the September 2011 Quarter, and this will underpin the Pre-Feasibility Study currently underway with planned completion at the end of the year.

At Obotan, PMI has completed 180 resource extension and in-fill drill holes for 43,315 metres to date. Drilling in 2011, to the end of June, totals 86 holes for 22,343 metres. Assay results are outstanding for 27 of these holes, which will continue to be reported as received.

Reporting from the 2011 drilling programme has been hampered by significant delays in assay turn-around times from the contract laboratory in Ghana, due to the high levels of drilling activity in West Africa. These delays are being addressed and data flow is beginning to improve.

Three diamond drill rigs are presently operating at Obotan. Two rigs have been dedicated to the resource expansion programme and metallurgical sample drilling at Nkran, and one rig has been relocated to the Abore satellite deposit.

“PMI’s planned transition from gold explorer to producer is progressing to plan,” said Managing Director Collin Ellison. “These latest drilling results highlight the potential to grow the resource inventory at Obotan. Work is progressing according to schedule on the Pre-Feasibility Study.”

“Geological studies which we initiated at Nkran earlier this year have been providing valuable additional information, giving us an improved understanding of the deposit and, in particular, the controls on the mineralisation and the directions to focus for potential resource extensions,” he added.

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

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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 (Exploration Manager). 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 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.

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Collin Ellison, who is employed by PMI Gold Corporation. Mr Ellison 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'. 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.

**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 – Gold Intercepts (>5.00 g/t Au metres – uncut grade values):**

Drill Hole	Northing	Easting	Azimuth°	Dip°	RL	From Metres	To Metres	Intersection Length Metres	Weighted Avg. Grade g/t Au (uncut)
<b>NKR11-050</b>	<b>700,410</b>	<b>612,012</b>	<b>307</b>	<b>-51</b>	<b>218</b>	<b>393.00</b>	<b>435.00</b>	<b>42.00</b>	<b>2.83</b>
including						407.00	418.00	11.00	4.19
including						420.00	425.00	5.00	4.52
including						431.00	435.00	4.00	6.87
<b>NKR11-052</b>									<b>**NSR</b>
<b>NKR11-054</b>	<b>700,657</b>	<b>612,225</b>	<b>307</b>	<b>-50</b>	<b>225</b>	<b>276.00</b>	<b>311.00</b>	<b>35.00</b>	<b>1.85</b>
including						276.00	278.00	2.00	12.27
						<b>374.00</b>	<b>395.00</b>	<b>21.00</b>	<b>1.58</b>
<b>NKR11-055</b>	<b>700,821</b>	<b>612,216</b>	<b>307</b>	<b>-60</b>	<b>186</b>	<b>173.00</b>	<b>189.40</b>	<b>16.40</b>	<b>5.23</b>
including						173.00	180.00	7.00	10.24
						<b>239.00</b>	<b>262.00</b>	<b>23.00</b>	<b>1.26</b>
including						239.00	241.50	2.50	4.72
including						260.00	262.00	2.00	6.57
						<b>355.00</b>	<b>357.00</b>	<b>2.00</b>	<b>5.77</b>
<b>NKR11-056</b>	<b>700,836</b>	<b>612,235</b>	<b>305</b>	<b>-51</b>	<b>188</b>	<b>177.00</b>	<b>182.00</b>	<b>5.00</b>	<b>6.59</b>
including						181.00	182.00	1.00	18.80
<b>NKR11-057</b>	<b>700,549</b>	<b>612,118</b>	<b>307</b>	<b>-52</b>	<b>217</b>	<b>218.00</b>	<b>235.30</b>	<b>17.30</b>	<b>1.89</b>
including						233.00	235.30	2.30	5.58
						<b>249.00</b>	<b>268.00</b>	<b>19.00</b>	<b>3.51</b>
including						255.00	259.00	4.00	12.11
						<b>278.00</b>	<b>296.00</b>	<b>18.00</b>	<b>1.84</b>
including						287.00	289.00	2.00	5.46
including						292.00	296.00	4.00	3.38
<b>NKR11-058</b>	<b>700,859</b>	<b>612,251</b>	<b>305</b>	<b>-53</b>	<b>191</b>	<b>206.00</b>	<b>214.00</b>	<b>8.00</b>	<b>6.55</b>
including						208.00	211.00	3.00	12.19
including						212.00	214.00	2.00	6.22
						<b>237.00</b>	<b>294.00</b>	<b>57.00</b>	<b>3.48</b>
including						249.00	256.00	7.00	8.02
including						289.00	294.00	5.00	10.31
						<b>315.00</b>	<b>341.00</b>	<b>26.00</b>	<b>8.83</b>
including						315.00	316.00	1.00	63.73
including						321.00	330.00	9.00	16.29
<b>NKR11-059</b>	<b>700,579</b>	<b>612,165</b>	<b>307</b>	<b>-49</b>	<b>223</b>	<b>243.50</b>	<b>310.00</b>	<b>66.50</b>	<b>1.23</b>
including						243.50	246.00	2.50	8.37
including						253.00	2.55.0	2.00	9.13
including						304.00	306.00	2.00	4.90
						<b>342.00</b>	<b>346.00</b>	<b>4.00</b>	<b>2.38</b>
						<b>422.00</b>	<b>460.00</b>	<b>38.00</b>	<b>1.39</b>
including						426.00	428.00	2.00	3.77
including						430.00	435.00	5.00	3.85
including						439.00	444.00	5.00	2.31
<b>NKR11-060</b>	<b>700,473</b>	<b>612,057</b>	<b>306</b>	<b>-45</b>	<b>215</b>	<b>208.00</b>	<b>224.00</b>	<b>16.00</b>	<b>1.32</b>
						<b>334.00</b>	<b>338.00</b>	<b>4.00</b>	<b>6.03</b>
						<b>354.00</b>	<b>383.00</b>	<b>29.00</b>	<b>1.46</b>
including						360.00	364.00	4.00	3.24
including						373.00	376.00	3.00	3.73
						<b>390.00</b>	<b>413.00</b>	<b>23.00</b>	<b>3.17</b>
including						398.00	400.00	2.00	23.77
						<b>419.00</b>	<b>446.00</b>	<b>27.00</b>	<b>2.23</b>
including						425.00	438.00	13.00	4.06

\*\*NSR – no significant results

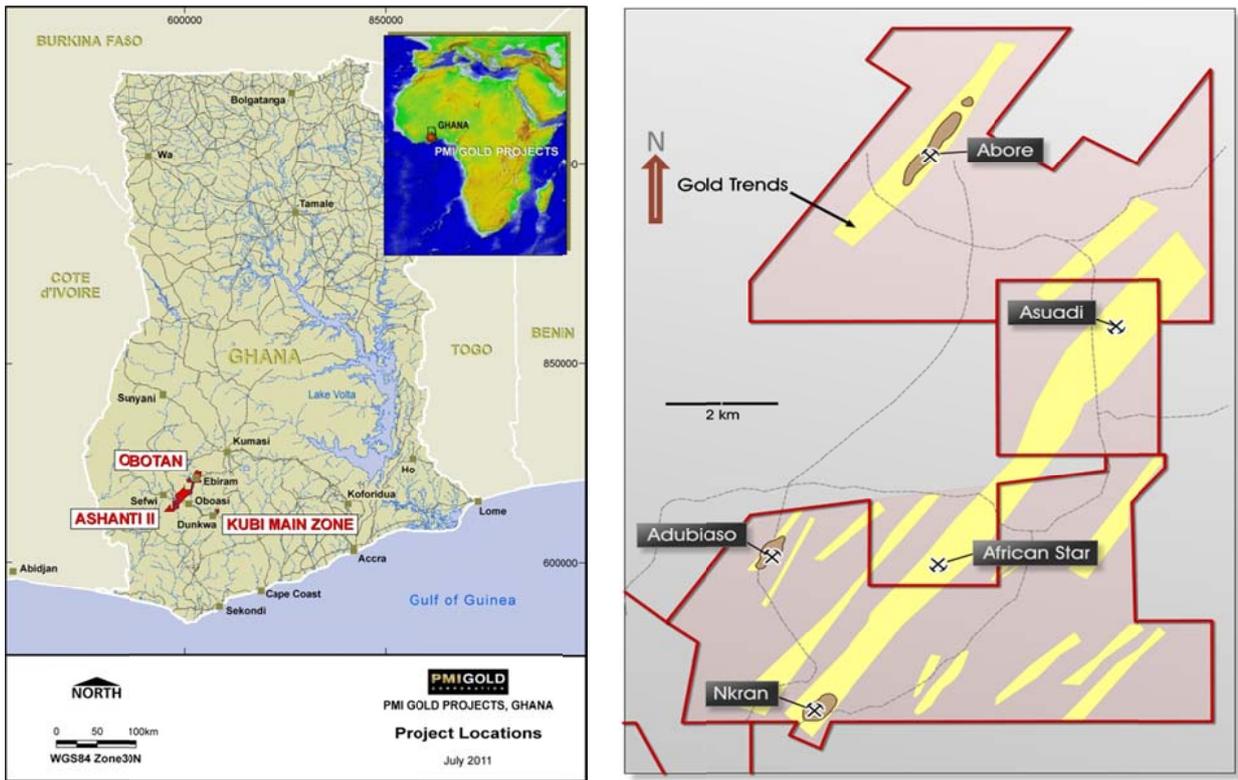


Figure 1 – Obotan Gold Project Tenements and Deposit Locations

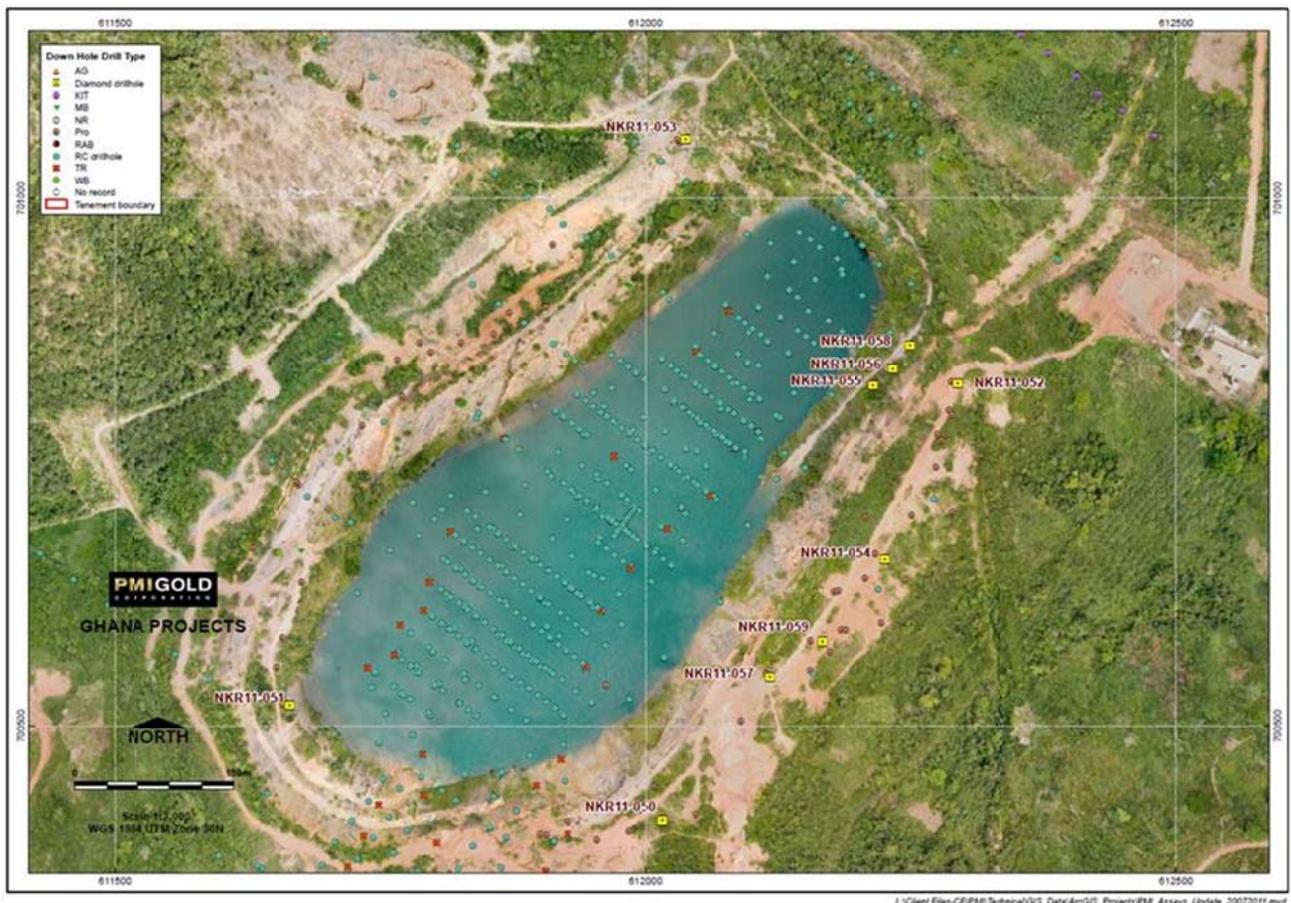


Figure 2 – Recent Drilling, Nkran Deposit showing Drill Hole Locations

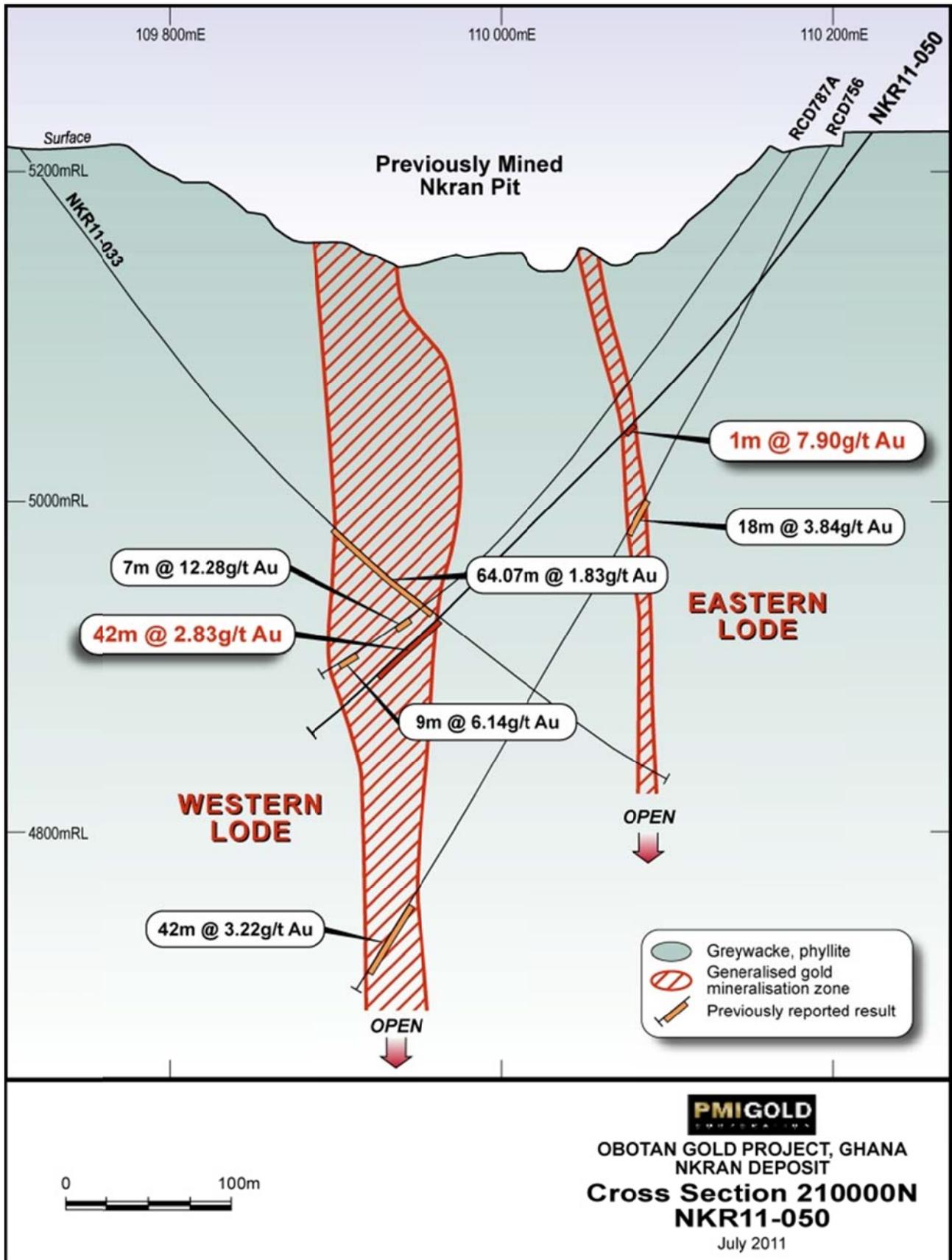


Figure 3 – Cross-Section 210,000N, Nkran Pit, Obotan Gold Project

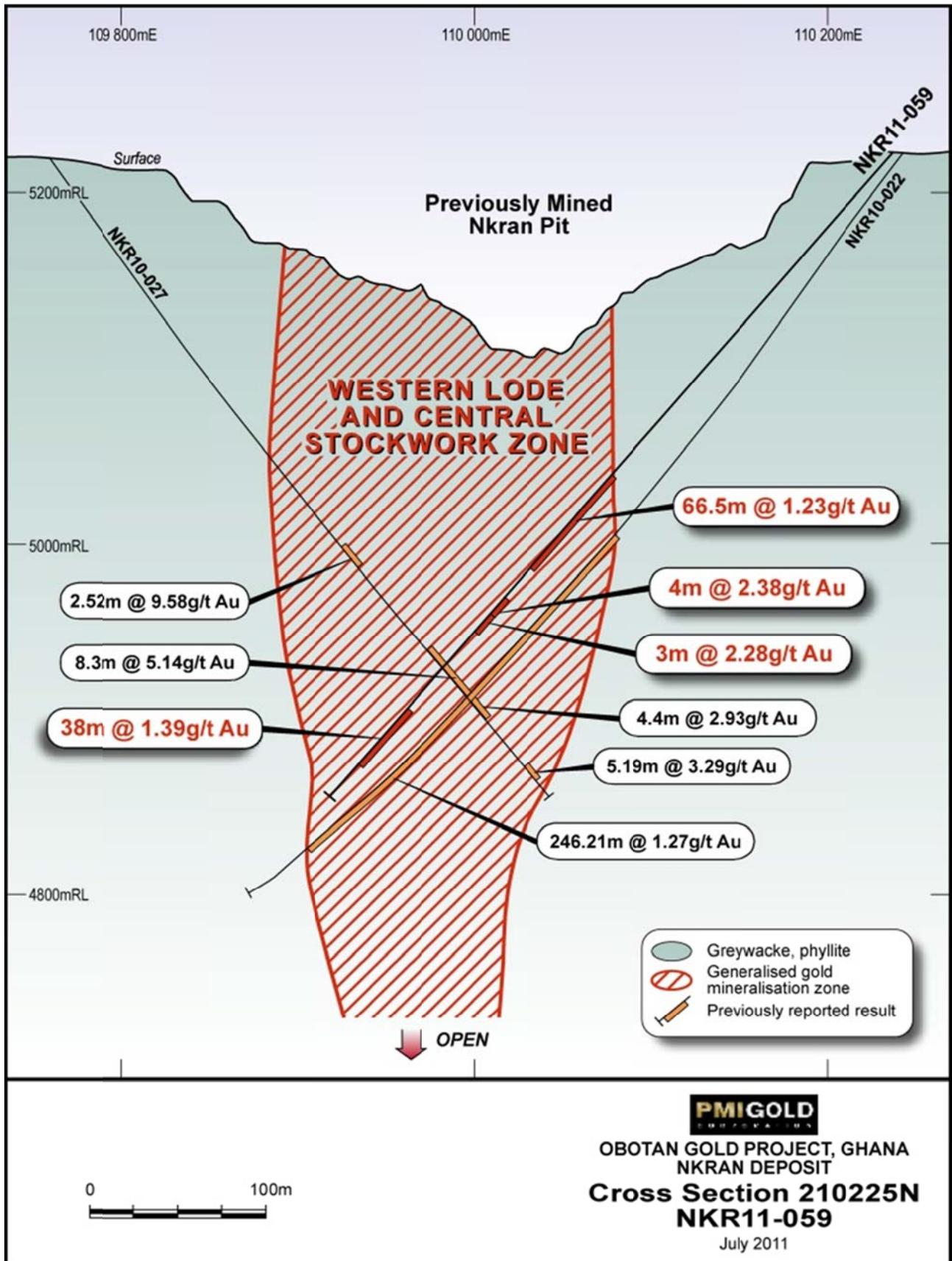


Figure 4 – Cross-Section 210,225N, Nkran Pit, Obotan Gold Project

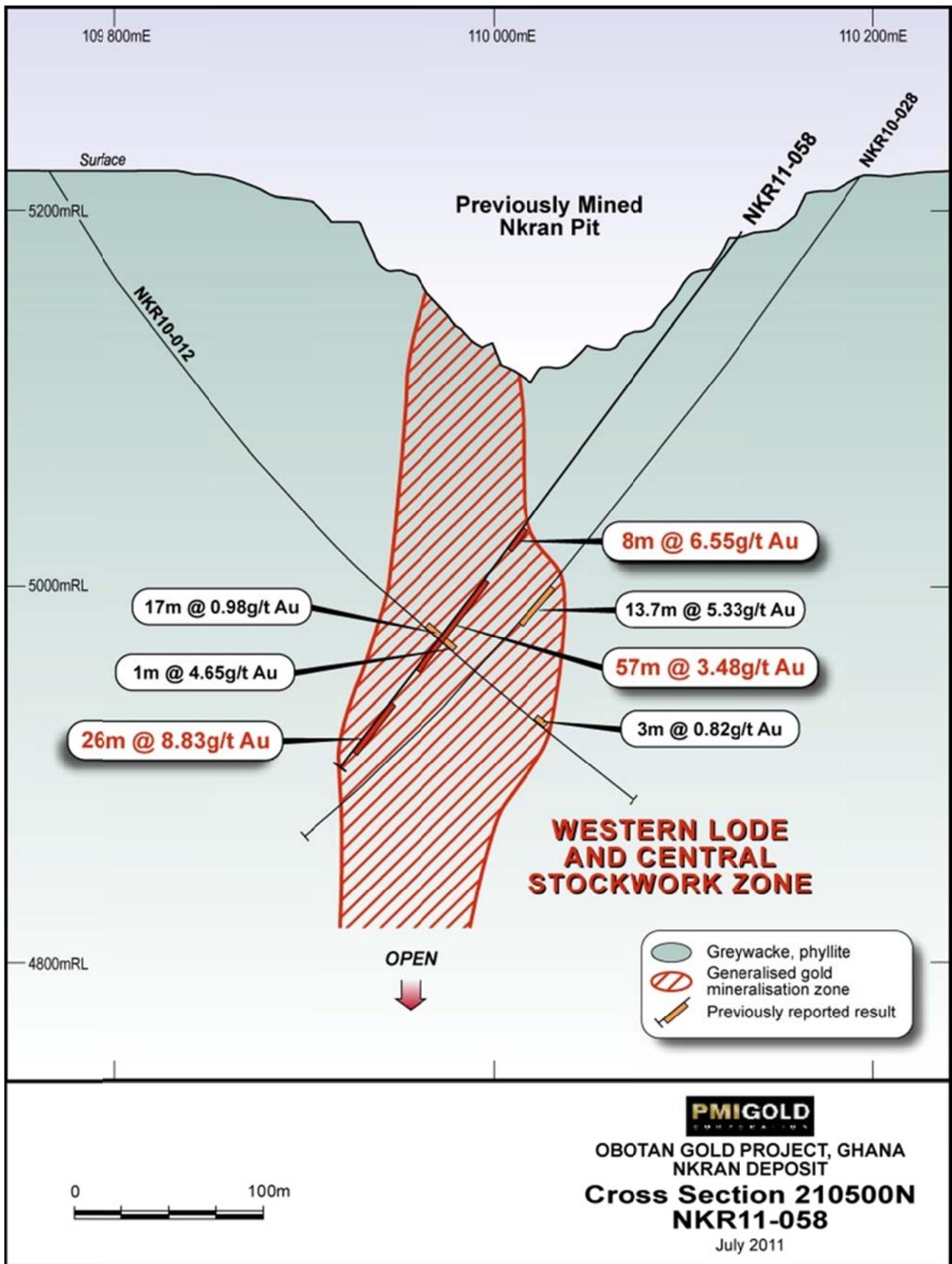


Figure 5 – Cross-Section 210,500N, Nkran Pit, Obotan Gold Project