PMI GOLD CORPORATION

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Further Strong Drilling Results from Obotan Gold Project, Ghana

Highlights

Further positive drilling results received from resource extension and in-fill drilling at the Obotan Project confirming the potential to upgrade resources for both the flagship Nkran and satellite Asuadai deposits.

? **Broad intersections returned from the latest seven infill diamond holes at both deposits including[1]:**

Nkran Deposit

Nkran deposit drill results include several high-grade intersections approximately 150 metres below the base of the previously mined open pit.

- ***29.0m @ 4.27g/t Au from 466m, including:***
  - ***15.0m @ 5.89g/t Au*** *from 480m*
- ***7.0m @ 11.96g/t Au from 331m, including:***
  - ***2.0m @ 40.88g/t Au*** *from 336m*
- ***10.0m @ 15.04g/t Au from 345m, including:***
  - ***2.0m @ 66.68g/t Au*** *from 352m*

Asuadai Deposit

First Asuadai drill results of this campaign showing broad intersections within this 'greenfield' deposit.

- ***27.0m @ 1.36g/t Au from 77m, including:***
  - ***2.0m @ 4.34g/t Au*** *from 80m*
- ***23.0m @ 1.63g/t Au from 76m, including:***
  - ***1.0m @ 18.25g/t Au*** *from 80m*

? **Aggressive extensional and resource in-fill diamond drilling programmes continuing at Obotan Gold Project – with three diamond drill rigs operating.**

? **JORC/NI 43-101 resource update for the Obotan project on track for late September 2011.**

[1] *Note: a full list of drilling results from all nine holes for which assays have been received is provided in Table 1 and 2 on page 4 of this Release.*

PMI Gold Corporation (TSX-V: PMV) (ASX: PVM) is pleased to report further positive drilling results from the ongoing in-fill and resource extension drilling at the key Nkran deposit at its 100%-owned **Obotan Gold Project** in Ghana, West Africa, where PMI is currently undertaking a Pre-Feasibility Study. Additionally, encouraging results have also been received from the 'greenfield' satellite Asuadai deposit, where in-fill and down-dip extension holes have confirmed the presence of broad zones of gold mineralisation which remains open at depth.

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 has previously been announced for the Obotan Project (dated 31 August 2010, Prospectus dated 17 December 2010).

The Obotan Project resource drilling programme is designed to both upgrade the confidence in the resources and to increase the resources through the development of recognized mineral extensions along strike, down-dip and along parallel structures to the known deposits.

Strong results have been received from three holes from Nkran and four from Asuadai (see Table 1 and 2 for a full list of intersections).

Two of the three infill holes at Nkran intersected multiple zones of mineralization within the Western Lode zone (*see Figures 2 & 3*). 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.

Asuadai lies on the same geological structure as Nkran and is located approximately 11km NNE of the Nkran gold deposit. It lies on the intersection between the NNE-SSW geological structure (parallel to the regional shears controlling mineralisation) and a cross-cutting WNW-ESE structure. All four holes at Asuadai intersected multiple zones of mineralisation confirming the resource potential of the prospect. The mineralisation at Asuadai dips to the west and further drilling is planned to strengthen the gold resource potential in this area.

The Obotan Project was previously mined by Resolute Mining Limited with production totaling 730,000oz at an average grade of 2.2 g/t gold before closing in 2002, when the gold price averaged circa US$350/oz.

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 207 resource extension and in-fill drill holes for 49,993 metres to date. Drilling at Obotan between January and July 2011 totals 113 holes for 29,021 metres.

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 continue to operate 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.

"Work is progressing according to schedule on the Pre-Feasibility Study," said Managing Director Collin Ellison, "and these latest drilling results continue to highlight the potential to grow the resource inventory at Obotan."

"PMI's understanding of the deposit and, in particular, the geological controls on the mineralisation is aiding our targeting in the development of 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 programmeme suggest that the reported results are accurate. Intercepts were calculated with a minimum 0.5 g/t Au cut off at the beginning and the end of the intercept and allowing for no more than three consecutive metres of less than 0.5 g/t Au internal dilution. Intercepts above 5.0 g/t Au metres are reported separately. Grade x Width intercepts of less than 5.0 g/t Au metres were not reported. True widths are estimated at from 60% to 70% of the stated core length.

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 programmemes, 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 – Nkran Deposit 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)*
NKR11-065	**700756**	**611640**	**121**	**-60**	**216**	**320**	**326**	**6.00**	**1.28**
						331	**338**	**7.00**	**11.96**
Including						336	338	2.00	40.88
						345	**355**	**10.00**	**15.04**
Including						352	354	2.00	66.68
						362	**373**	**11.00**	**3.54**
Including						365	372	7.00	4.80
						383	**401**	**18.00**	**1.95**
Including						399	401	2.00	5.57
						411	**427**	**16.00**	**2.35**
Including						411	414	3.00	3.03
						417	424	7.00	3.57
						420	422	2.00	8.29
NKR11-068	**700127**	**611806**	**307**	**-45**	**204**				**NSR**
NKR11-070	**700711**	**611619**	**129**	**-60**	**218**	**457**	**462**	**5.00**	**3.05**
						466	**495**	**29.00**	**4.27**
Including						474	476	2.00	9.63
						480	495	15.00	5.89
						499	**504**	**5.00**	**1.96**

NSR – no significant results

Table 2– Asuadai Deposit 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)*
ASP10-002	**709216**	**618003**	**127**	**-45**	**313**	**61**	**66.8**	**22.00**	**0.66**
ASP10-016	**709289**	**617990**	**127**	**-45**	**324**	**76.15**	**79**	**2.85**	**3.71**
						105	**110**	**5.00**	**0.85**
						115	**120**	**5.00**	**2.46**
ASP11-013	**709245**	**617999**	**127**	**-45**	**323**	**35**	**42**	**7.00**	**1.30**
						76	**99**	**23.00**	**1.63**
Including						80	81	1.00	18.25
						104	**107**	**3.00**	**2.99**
Including						104	105	1.00	7.56
ASP11-018	**709306**	**618055**	**127**	**-45**	**348**	**67**	**72**	**5.00**	**0.56**
						76	**92**	**16.00**	**1.82**
Including						82	85	3.00	3.06
Including						88	91	3.00	3.55
						97	**101**	**4.00**	**8.39**
Including						99	101	2.00	14.72
Including						100	101	1.00	29.30
						111	**113**	**2.00**	**2.65**
ASP11-022	**709350**	**618105**	**127**	**-45**	**347**	**50.29**	**57.91**	**7.62**	**1.36**
						66	**69**	**3.00**	**2.26**
ASP11-037	**709210**	**617964**	**127**	**-55**	**301**	**77**	**104**	**27.00**	**1.36**
Including						80	82	2.00	4.34

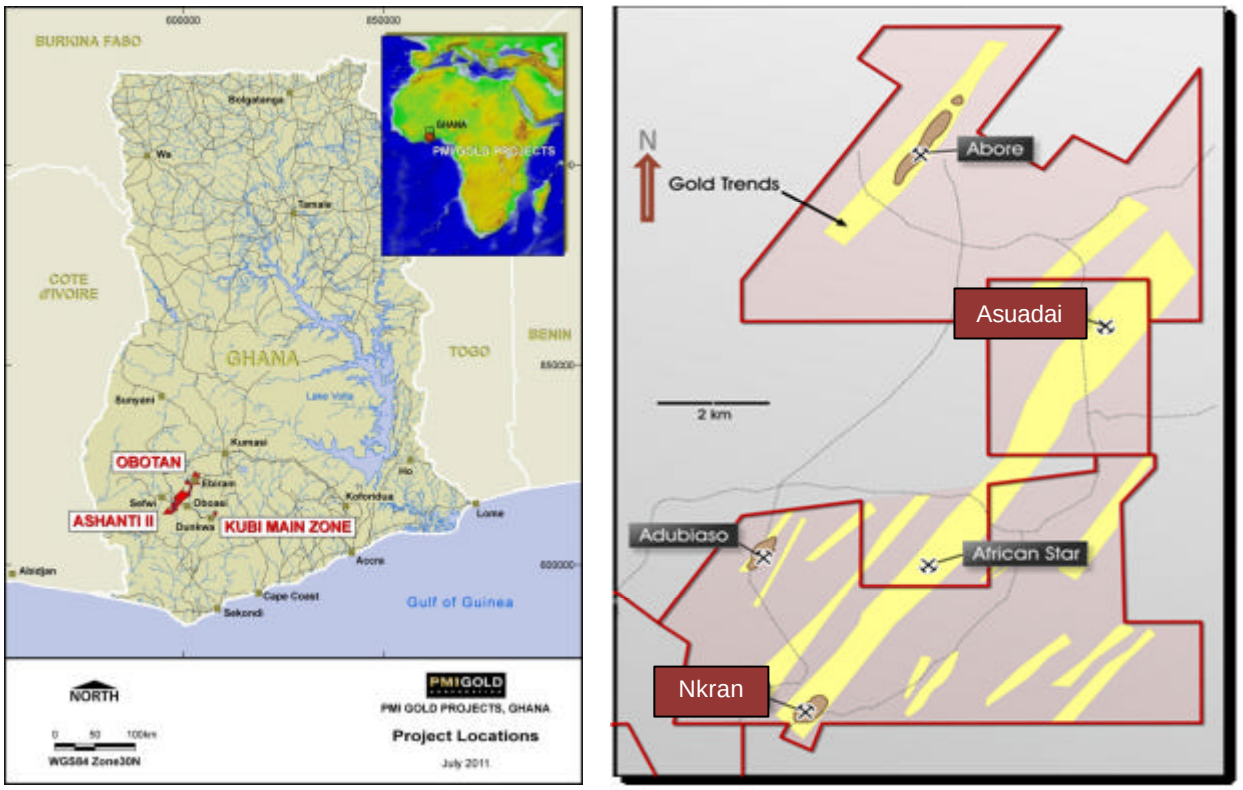

Figure 1 – Obotan Gold Project Tenements and Deposit Locations

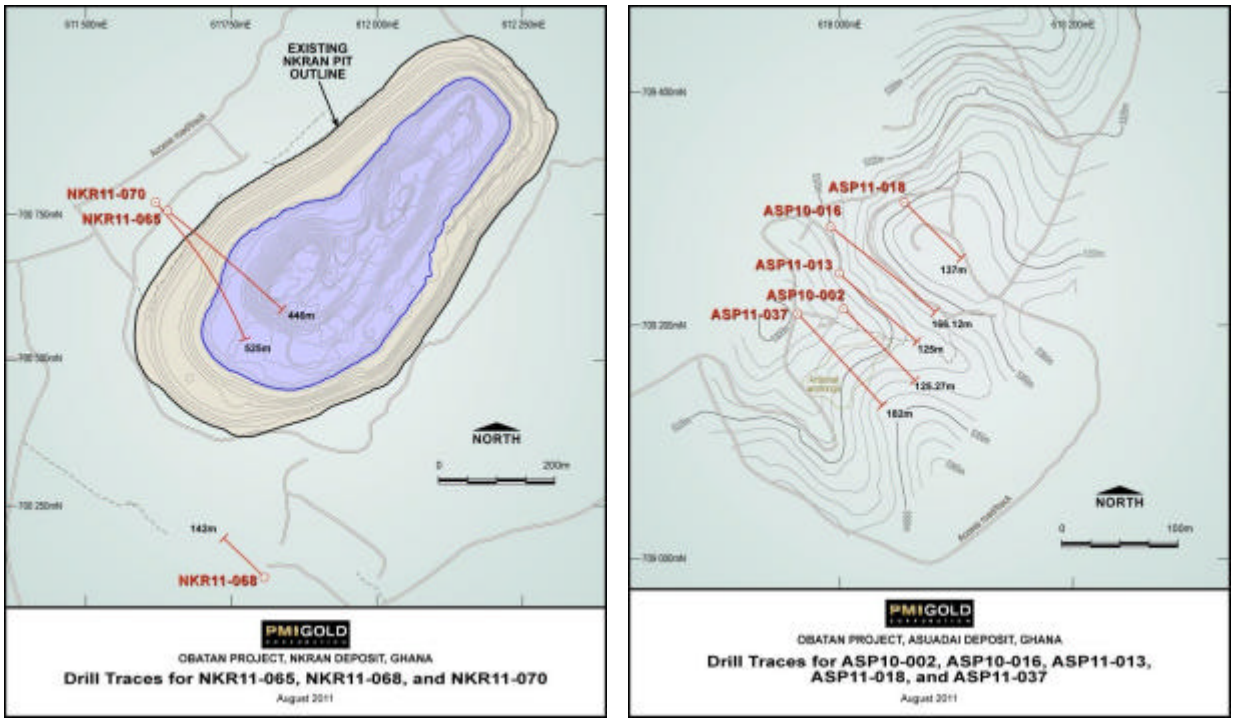

Figure 2 – Drill Hole Location Plans at Nkran Deposit and Asuadai Deposit

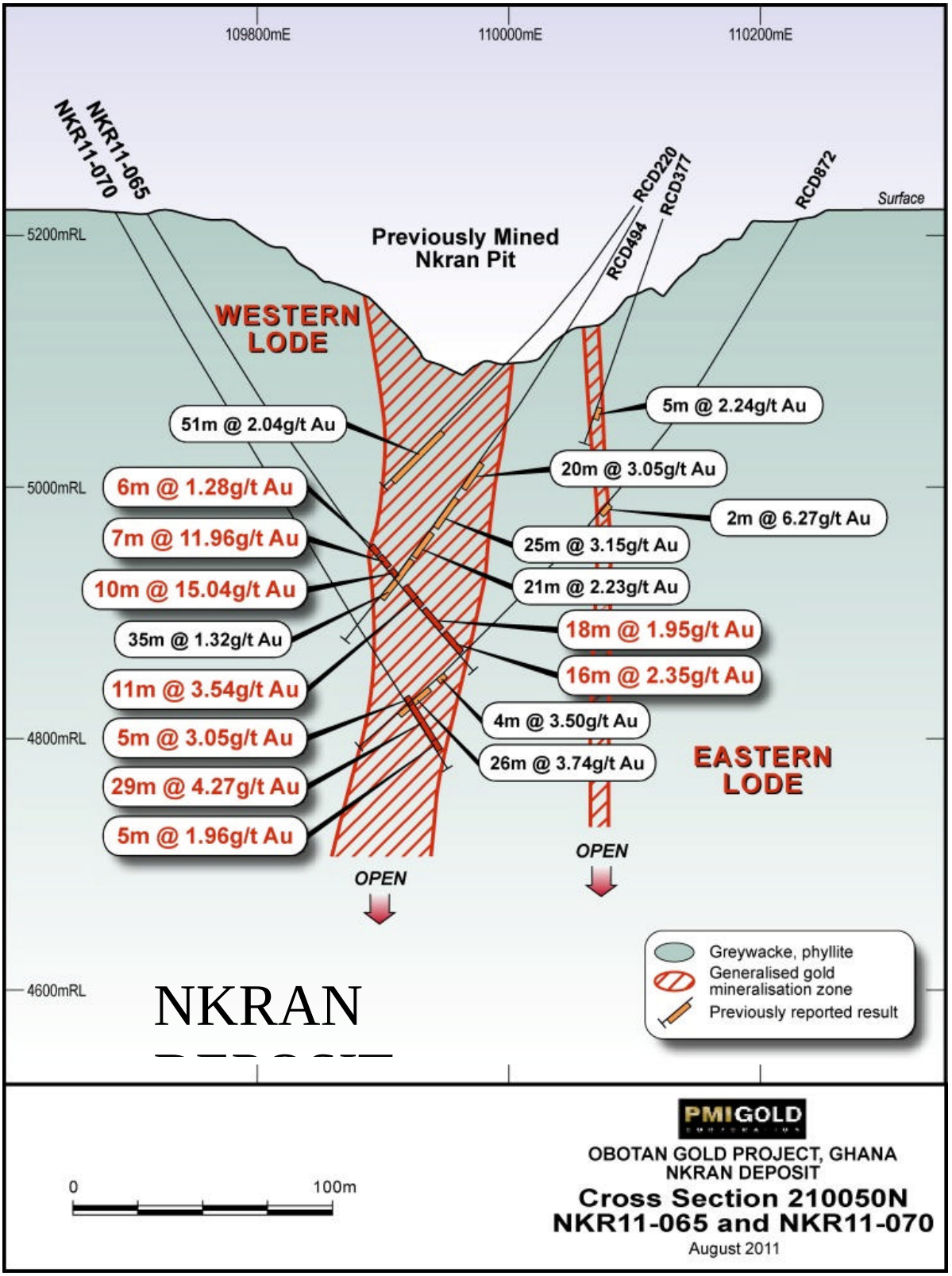

Figure 3 – Cross-Section 210,050N, Nkran Pit, Obotan Gold Project

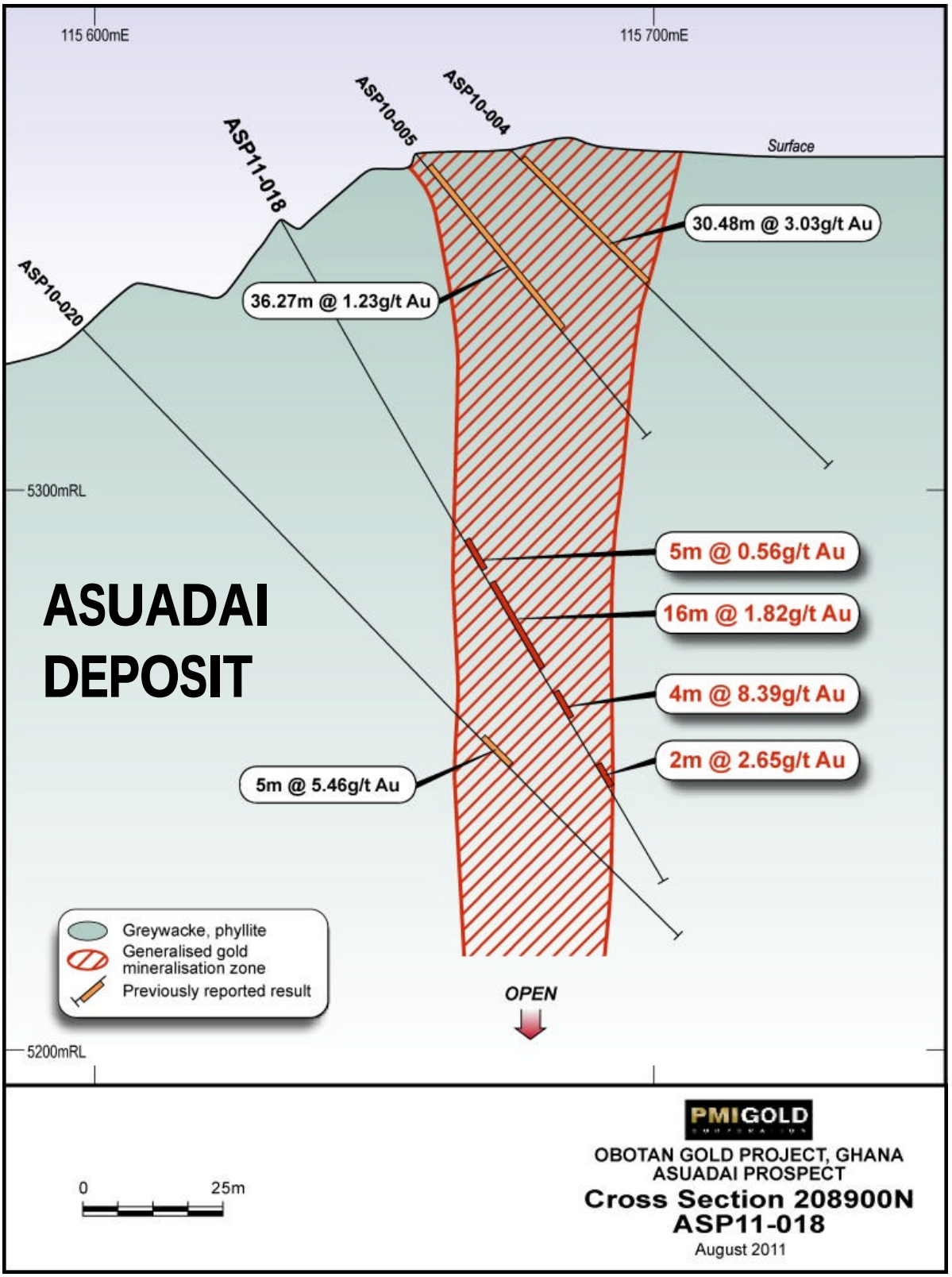

Figure 4 – Cross-Section 208900N, Asuadai Deposit, Obotan Gold Project