

Further Kubi Auger Results Increases Drill Targets

Key Points:

- Numerous 100-400m long +2g/t anomalies defined by ongoing shallow auger drilling program at the Kubi Project
- Significant anomalies defined along and west of the Ashanti Shear and along Kubi Shear south of the Kubi Main Deposit
- The 513 Prospect has been extended over 1km in strike length
- Results reveal four main east-northeast trending structural corridors containing multiple gold anomalism (+40ppb) targets.
- The Kubi Project is located on the north-east trending Ashanti Shear, which controls the world-class Ashanti Obuasi Gold Mine (60Moz), 15km to the north, and a series of cross-cutting east-northeast trending structures which coincide with Perseus Mining's 6.6Moz Edikan Gold Mine, 12km to the south-west.
- Deep (RAB, RC and DD) drill program to follow-up outlined drill targets in Q4 2011

PMI Gold Corporation (TSX-V: PMV; ASX: PVM) is pleased to advise that new assays from a continuing auger drilling program have identified several additional targets and strike extensions of previous discoveries, see Figure 1.

Drilling Results – Kubi Project

The Kubi Project is located 65km east of PMI Gold's Obotan Gold Project, 15km immediately south along strike from the world-class Obuasi gold mining complex (owned by AngloGold Ashanti), which has a pre-mine endowment of about 60Moz, and 12km north east of the recently commissioned 6.6Moz Edikan Gold Mine (owned by Perseus Mining).

Exploration by previous explorers at Kubi indicates that near-surface gold anomalism is extensively distributed along the Ashanti and Kubi Shears the bounding structures of the belt dominant Ashanti Shear Zone, however deeper drilling has only been carried out at isolated locations, and was principally focussed at the Kubi Main Deposit on the Kubi Shear and on geophysical anomalies, and none of the previous deeper drilling tested the recent anomalous auger targets. Much of the 15km long Ashanti Shear Zone within PMI's concessions remains untested by drilling. The PMI Gold auger program will for the first time systematically test the entire Ashanti Shear Zone, surrounding country rocks and areas of alluvial cover within PMI's concession area.

The latest assay results reveal more than ten 100-400m long, +2000ppb (+2g/t) gold anomalies within several broader +80ppb NE-SW trending anomalous zones enveloping the Ashanti and Kubi Shears, internally within the shears and to the west of the Ashanti Shear.

Of particular interest are:

- An open +200m long 2000ppb anomaly corresponding to the Ashanti Shear
- A 1km southerly extension of the 513 Prospect (see ASX/TSX announcements dated 7 January, 2010 and 10 December, 2010)
- A complex anomalous zone 500m west of the Ashanti Shear
- A strong +500m, 2000ppb anomaly corresponding to the Kubi Shear about 300m south of the Kubi Main Deposit
- Possible E-NE trending structures which appear to control the distribution of the anomalies, see Figure 2.

The 513 Prospect, which is located 1.4km to the south-west of the Kubi Main Deposit close to the Ashanti Shear, is a recent discovery that demonstrates the exploration potential at Kubi, with diamond drilling returning intersections of 4.75m @ 3.76g/t Au from 85m, 8.00m @ 3.68g/t Au from 64m and 1.00m @ 15.35g/t Au from 66m.

The auger drilling program was undertaken on an initial line spacing of 200m apart, with holes drilled at a 25m on-line spacing to depths of 3-6 metres. Additional in-fill drilling was carried out on 100m spaced lines in areas of anomalism. The saprolite horizon was sampled to overcome the masking effects of the transported overburden. Samples were assayed by 'bottle-roll' technique using up to 2kg samples with a 24-hour residence time. Results were reported with a detection limit of 2ppb.

To date, a total of 8,623m has been drilled representing 86% of the auger program. Approximately 1,800 assays are awaiting analysis. The attached grade contour diagram (see Figure 2) is based on the first 2,401 assay results received by PMI.

PMI's Managing Director Collin Ellison said "The latest results continued to highlight the significant potential for high-grade gold mineralisation along the Ashanti Shear and the parallel Kubi Shear. The auger drilling has successfully defined extensions to the 513 Prospect and the occurrence of at least four east-northeast corridors that contain multiple gold anomalous targets. These corridors are contained within the same series of east-northeast trending structures that coincide with Perseus's Edikan Gold Mine. PMI will complete the current auger program before commencing a follow up exploration program employing Rotary Airblast (RAB)/Aircore and Reverse Circulation (RC) drilling, scheduled to commence in Q4 2011".

"Many of the largest gold mines in Ghana have a short strike extent with substantial steep plunging deep roots and we are looking forward to the arrival in country of our dedicated RC and Air Core drill rigs to enable the deep testing of the Kubi Project auger targets and numerous geochemical and structural targets within the Asankrangwa Project south of Obotan".

PMI will also be completing a re-evaluation of the Kubi Main Deposit as part of the reassessment of the development strategy for Kubi.

The Kubi Project is the second project that PMI is currently developing. The main focus during the 2011 has been with the Obotan Project which is at an advanced stage and where PMI are presently developing a Pre-feasibility Study and anticipates releasing a new resource estimate before the end of September 2011. PMI is also developing the Asankrangwa Exploration Project which is located to the south of the Obotan Project and where PMI have numerous mineralised drill targets that are to be tested in the coming months.

For further information please contact:Investor Relations Canada:

Rebecca Greco, Fig House Communications
P. +1 (416) 822-6483
E. fighouse@yahoo.com

Investor Relations Australia:

Nicholas Read/Paul Armstrong, Read Corporate
P. +61 8 9388 1471
M. +61 419 929 046

PMI Contact Canada:

Marion McGrath, Corporate Secretary
P. +1 (604) 682-8089
Toll-Free: 1 (888) 682-8089

PMI Contact Australia:

Collin Ellison, Managing Director & CEO
P. +61 8 6188 7900

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

Kubi Resources: 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.

Competent Person and Technical Disclosure

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 Paul Abbott MSc. Consulting Geologists. Auger samples were sent to SGS Laboratory in Tarkwa, and analyzed for gold by bottle-roll technique using 1 kg sample and a 24 hour residence time. Samples were assayed for gold (2ppb detection limit) and Arsenic (20ppm detection limit). 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.

SEMS Exploration Services Ltd completed the Kubi Project resource estimation on behalf of PMI Gold Corporation. SEMS Exploration Services Ltd has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they undertook 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'. SEMS Limited 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 September 20, 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.

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Figure 1 – PMI Gold Project Locations and Surrounding Deposits showing Auger Survey Area

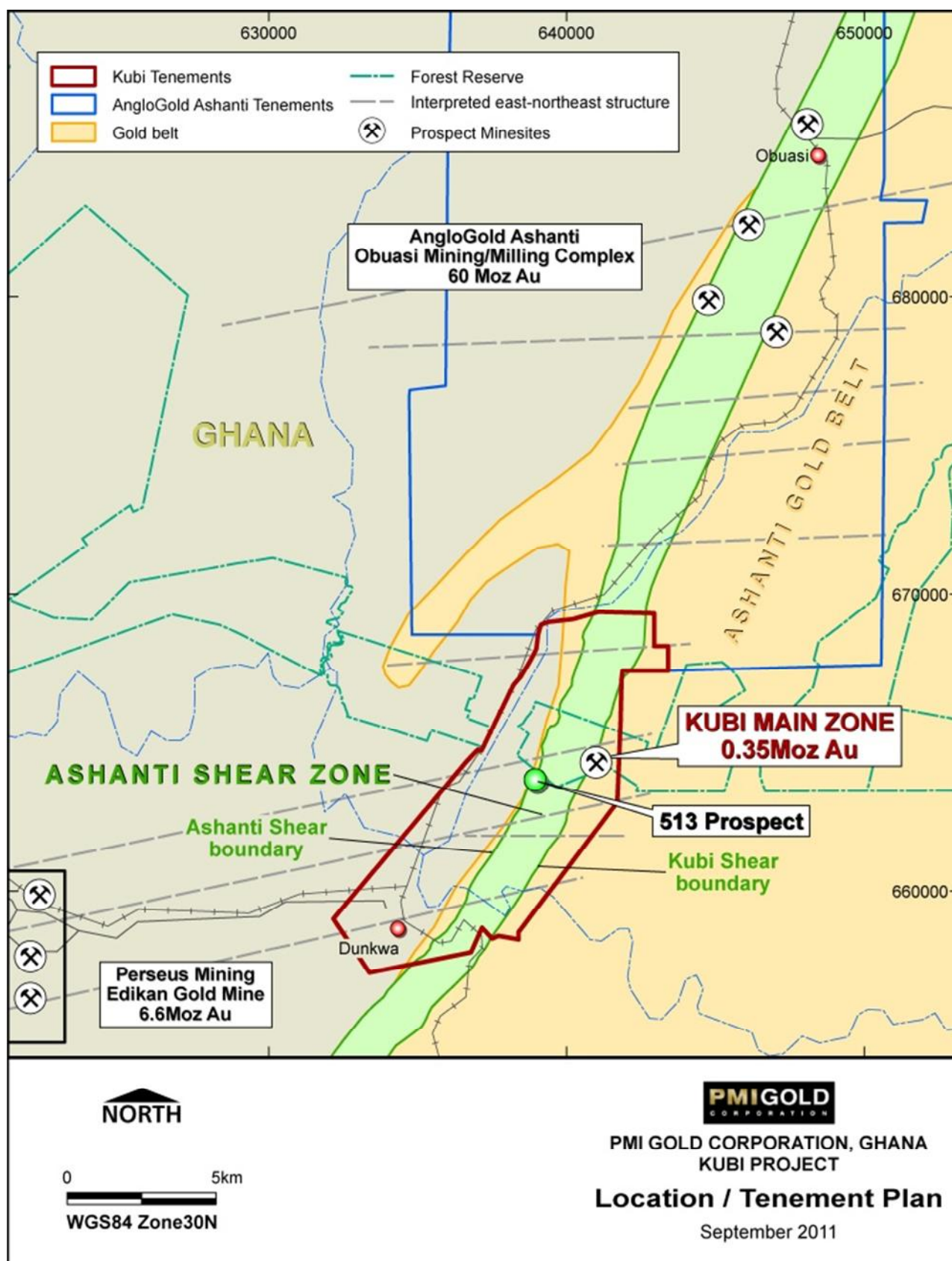


Figure 2 – Kubi Exploration – Grade Contours resulting from Additional Auger Sampling Results

