

# PMI GOLD

C O R P O R A T I O N

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ASX: PVM

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## PMI Targets Maiden Gold Resource for Dynamite Hill After Further High Grade Hits

*Drilling to resume this Quarter at emerging satellite prospect 7km NE of proposed Obotan plant*

### Key Points:

- Recent drilling at Dynamite Hill has extended the strike extent of mineralization to over 600m, with mineralization remaining open along strike and down-dip.
- Broad widths of gold mineralization intersected in the final holes of follow-up 10-hole Reverse Circulation (RC) drilling program.
- All assay results have been received. Significant results (>0.5g/t Au) (true widths are estimated between 60% to 70% of the stated drill intercept unless otherwise specified) include:
  - 41m @ 1.99g/t Au from 93m
  - 24m @ 2.08g/t Au from 101m (including 1m @ 9.68g/t Au from 104m and 1m @ 18.48g/t Au from 118m)
  - 25m @ 1.63g/t Au from 24m (including 2m @ 7.25g/t Au from 28m)
  - 20m @ 1.20g/t Au from 32m and 14m @ 3.20g/t Au from 64m (including 1m @ 22.32g/t Au from 65m)
- Dynamite Hill Prospect strategically located 7km north-east of the proposed processing facility at Nkran, within PMI's 100% owned Adubea Mining Lease – within economic trucking distance of the proposed treatment plant.
- Further drilling currently being planned for the September Quarter leading to a maiden JORC Mineral Resource estimate by year-end as part of PMI Gold's recently announced multi-pronged strategy to optimise and enhance the Obotan Project.

PMI Gold Corporation (TSX: PMV) (ASX: PVM) is pleased to announce that drilling is scheduled to resume this Quarter at the emerging **Dynamite Hill** discovery at its 100%-owned **Obotan Gold Project** in south-west Ghana as part of a program designed to deliver a maiden JORC/NI 43-101 compliant Mineral Resource by the end of this year.

Dynamite Hill, which was discovered earlier this year following a series of broad, high-grade gold intersections from RC drilling (see *TSX/ASX Release – 6 June 2013*), is strategically located between the Nkran and Asuadai deposits, 7km north-east of the proposed processing facility at Nkran, within the Adubea Mining Lease (Figure 1).

Following the initial round of drilling earlier this year, a further 10 RC holes have been drilled for 1,352 metres to test the north-east strike extension of mineralization defined in the first phase (*see TSX/ASX Release – 6<sup>th</sup> June 2013*). Holes were drilled on a 50 metre traverse spacing, 50m apart (Figure 2), to an average depth of 135m (maximum depth of 217m).

Samples were submitted to MinAnalytical Laboratory in Perth, Western Australia, and Performance Laboratory in Bibiani, Ghana, for 50g Fire Assay treatment with Atomic Absorption Spectrometry (AAS) finish. All assay results have been received. Significant intercepts >0.5g/t Au are listed in Table 1. Highlights include:

- DYRC13-031: **20m @ 1.20g/t Au** from 32m and **14m @ 3.20g/t Au from 64m**, including:
  - **1m @ 22.32g/t Au** from 65m
- DYRC13-032: **41m @ 1.99g/t Au** from 93m
- DYRC13-033: **25m @ 1.63g/t Au** from 24m, including:
  - **2m @ 7.25g/t Au** from 28m
- DYRC13-034: **31m @ 1.21g/t Au** from 33m
- DYRC13-035: **24m @ 2.08g/t Au** from 101m, including:
  - **1m @ 9.68g/t Au** from 104m and **1m @ 18.48g/t Au** from 118m

Drilling has extended the mineralized gold system to over 600m along strike (Figure 2) and to a depth of nearly 180m (Figure 3). Current interpretations indicate mineralization is still open along strike and down dip. The interpretation is encouraging as many of the largest gold deposits in Ghana have short strike lengths with substantial steep plunging deep roots.

Planning is currently underway for further RC drilling to test the internal continuity of the defined mineralized trend, along with testing the along strike and down-dip extents. Drilling will also be designed to test the second anomalous gold corridor 300m to the east of the main mineralized trend, identified in the first phase of drilling. It is anticipated drilling will commence in the coming month.

Ongoing drilling at the Dynamite Hill prospect has the potential to define an alternative source of oxide feed within economic haulage distance of the Obotan mill, and is emerging as an important component of the Company's multi-pronged strategy to optimise and enhance the Obotan Project (*see TSX/ASX Release – 19 July 2013*).

The addition of further high-grade oxide material to the Project's resource inventory has important strategic implications for the project, including the potential to defer some or all of the capitalised pre-stripping required in the early stages of project development.

Together with the Adubiaso and Abore deposits, the four deposits which comprise the Obotan Gold Project have a NI43-101 and JORC compliant Mineral Resource estimate of: Measured Resources of 15.57M tonnes at a grade of 2.47g/t Au for 1.23Moz, Indicated Resources of 29.2M tonnes at a grade of 2.00g/t Au for 1.88Moz and Inferred Resources of 21.91M tonnes at a grade of 1.99g/t Au for 1.4Moz.

PMI Gold's Managing Director and CEO, Mr Collin Ellison, said the Company was very pleased with the results from Dynamite Hill, which was rapidly emerging as a potential source of high-grade oxide feed located in close proximity to the proposed processing plant.

*“The Dynamite Hill Prospect is a high priority drill target for PMI Gold. We will continue to test the overall extent of mineralization in the coming months with the aim of calculating a maiden JORC/NI 43-101 compliant Mineral Resource towards the end of the year and incorporating Dynamite Hill into the overall development configuration and economics of the Obotan Project.*

*“This fits well with our other project optimisation and enhancement initiatives at Obotan, as announced earlier this month (see TSX/ASX Release -19 July 2013), and is consistent with the focus of our exploration efforts on advanced exploration opportunities which offer clear potential for the delineation of JORC/NI 43-101 compliant Mineral Resources and Ore Reserves in the near term. Dynamite Hill clearly fits the bill in all respects.”*

**ENDS**

On behalf of the Board,

*"Collin Ellison"*

Managing Director & CEO

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## **Competent Person Statement**

### **Exploration Results:**

The information in this news release that relates to exploration results is based on information compiled by Thomas Amoah, who is employed by Adansi Gold Company (Ghana) Ltd, a wholly owned subsidiary of PMI Gold Corporation. Mr Amoah, who is a Member of the Australian Institute of Geoscientists (MAIG), has sufficient experience which is relevant to the style of mineralization 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 Amoah consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Scientific and technical information contained in this news release relating to exploration results has been reviewed and approved by Thomas Amoah, MAIG, MSEG a "qualified person" as defined under National Instrument 43-101 (NI 43-101). Mr. Amoah is not independent of PMI under NI 43-101. Field work was supervised by Mr Amoah (VP-Exploration). Drill cuttings were logged and sampled on site, with 3kg samples sent to the MinAnalytical prep laboratory on site, and analyzed for gold by fire assay-AA on a 50 gram sample charge or by screened metallics AA finish in MinAnalytical laboratory in Perth, and Performance Laboratory in Bibiani, Ghana. 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 program 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. True widths are estimated at from 60% to 70% of the stated core length, unless otherwise specified.

### **Obotan Resource Estimate 2012:**

Information that relates to Mineral Resources at the Obotan Gold Project is based on a resource estimate that has been completed by Mr Peter Gleeson, who is a full time employee of SRK Consulting, Australia. Mr Gleeson is a Member of the Australian Institute of Geoscientists (MAIG) and has sufficient experience which is relevant to the style of mineralization 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 of Exploration Results, Mineral Resources and Ore Reserves' and as a Qualified Person (by ROPO) as defined in terms of NI43-101 standards for resource estimation of gold. Mr Gleeson has more than 5 years' experience in the field of Exploration Results and of resource estimation in general. Mr Gleeson consents to the inclusion of matters based on 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. Forward-looking statements or information involve risks, uncertainties and other factors that could cause actual results, performances, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statement. All statements other than statements of historical fact included in this release, including, without limitation, statements relating to the potential mineralization and geological merits of the Obotan, Asanko and Kubi Projects and the plans, objectives or expectations of the Company with respect to the advancement of these projects, completion of scoping and pre-feasibility studies, and statements regarding future gold production; initial mine life; and average annual gold production at the Obotan Gold Project 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; changes in gold prices; changes in exchange rates; possibility of equipment breakdowns, delays and availability; changes in mine plans; exploration cost overruns; unexpected increases in costs of equipment, steel, cement and consumables such as diesel and fuel oil; unexpected environmental liabilities or social charges; the unknown impact of the 10% windfall profit tax announced by the Government of Ghana; title defects; the failure of contract parties to perform; the unavailability of capital and financing; marketing activities, changes in gold prices; adverse general economic, market or business conditions; regulatory changes; failure to receive necessary government or regulatory approvals; and other risks and factors detailed herein and from time to time in the filings made by the Company with securities regulators and stock exchanges, including in the section entitled "Risk Factors" in the Company's Annual Information Form dated September 25, 2012.

Any forward-looking statement or information only speaks as of the date on which it was made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such.

**Table 1: Significant Gold Intercepts (>0.5g/t Au)**

*Note: True widths are approximately 60% to 70% of the length of the stated intersection length unless otherwise specified.*

Hole ID	Easting (UTM)	Northin g (UTM)	RL (UTM)	Dip	Azimuth	Hole Depth (m)	Depth From (m)	Depth To (m)	Interval (m)	Weighted Avg. Grade (g/t)
DYRC13-029*	616482	706835	294	-55	307	217	137.00	154.00	17.00	0.90
							166.00	178.00	12.00	5.95
							<b>167.00</b>	<b>168.00</b>	<b>1.00</b>	<b>41.44</b>
							<b>177.00</b>	<b>178.00</b>	<b>1.00</b>	<b>22.67</b>
							182.00	195.00	13.00	0.51
							200.00	202.00	2.00	0.88
							212.00	216.00	4.00	0.82
DYRC13-030	616531	706979	345	-50	127	121	32.00	36.00	4.00	1.53
DYRC13-031	616499	707012	345	-50	127	130	32.00	52.00	20.00	1.20
							64.00	78.00	14.00	3.20
							<b>65.00</b>	<b>66.00</b>	<b>1.00</b>	<b>22.32</b>
DYRC13-032	616466	707045	338	-50	127	157	45.00	46.00	1.00	1.60
							51.00	52.00	1.00	1.06
							93.00	134.00	41.00	1.99
DYRC13-033	616572	707021	338	-50	127	100	24.00	49.00	25.00	1.63
							<b>28.00</b>	<b>30.00</b>	<b>2.00</b>	<b>7.25</b>
DYRC13-034	616542	707046	337	-50	127	109	33.00	64.00	31.00	1.21
							69.00	77.00	8.00	1.14
DYRC13-035	616501	707076	334	-50	127	163	101.00	125.00	24.00	2.08
							<b>104.00</b>	<b>105.00</b>	<b>1.00</b>	<b>9.68</b>
							<b>118.00</b>	<b>119.00</b>	<b>1.00</b>	<b>18.48</b>
							150.00	151.00	1.00	1.08
DYRC13-036	616609	707052	324	-50	127	85	12.00	14.00	2.00	3.25
							58.00	59.00	1.00	1.08
DYRC13-037	616561	707086	321	-50	127	110	49.00	50.00	1.00	7.44
DYRC13-038	616527	707114	323	-50	127	160	105.00	110.00	5.00	1.95
							<b>108.00</b>	<b>109.00</b>	<b>1.00</b>	<b>6.97</b>

*\*DYRC13-029 drilled down dip of mineralization. Intercept width is not reflective of true mineralization width.*

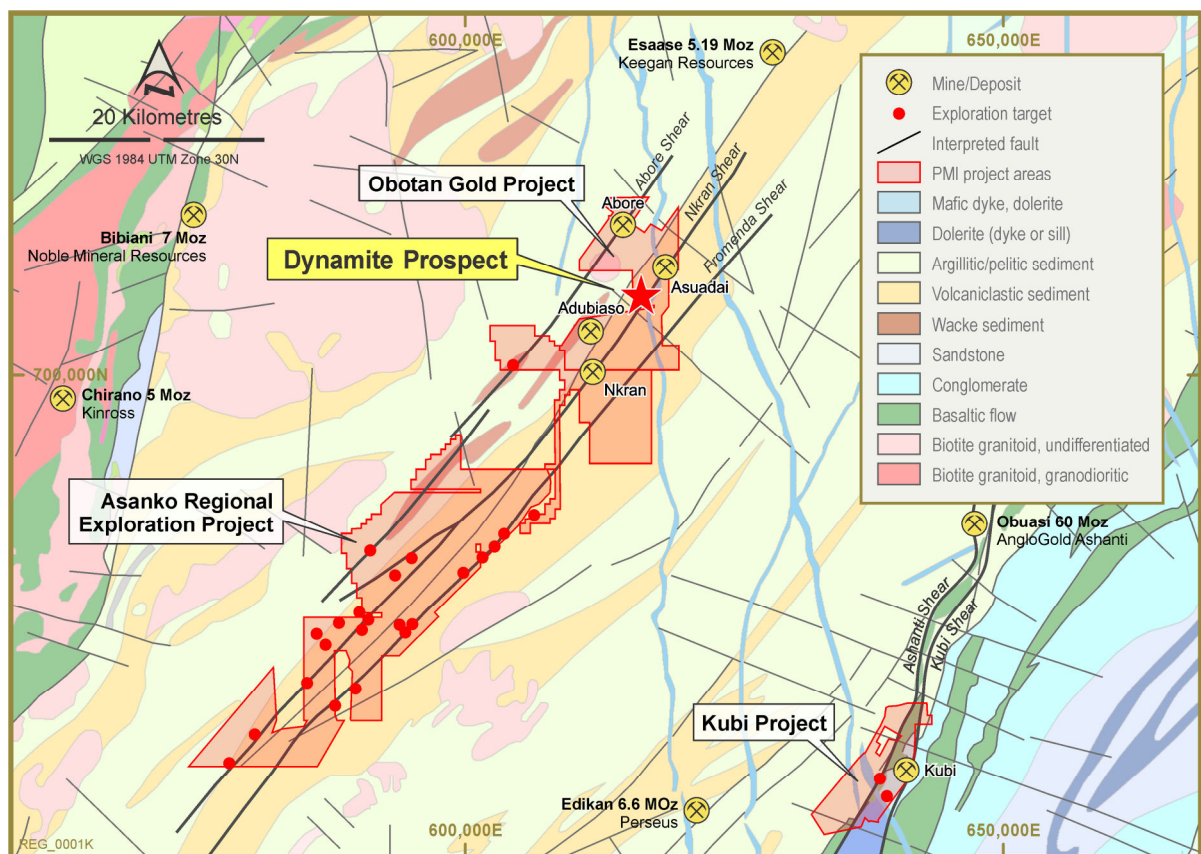


Figure 1: Location of the Dynamite Prospect within PMI's Tenements

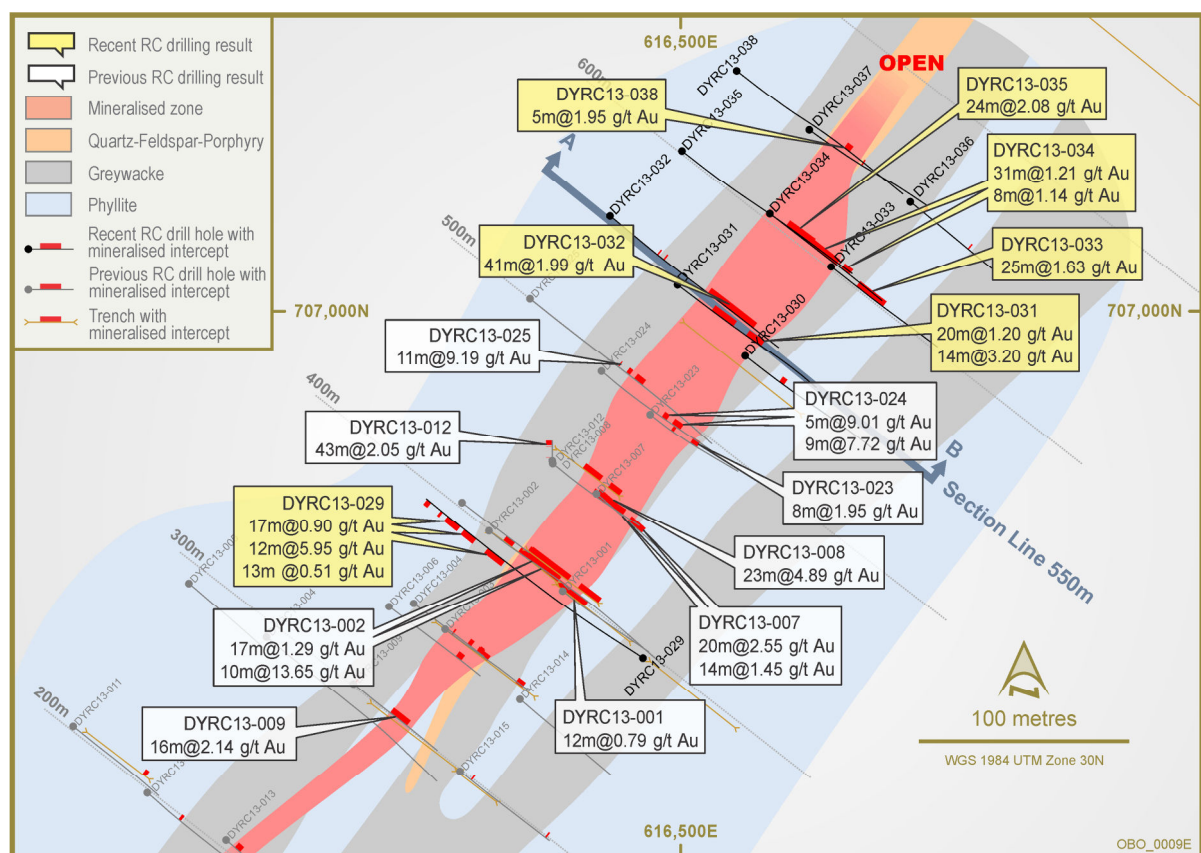
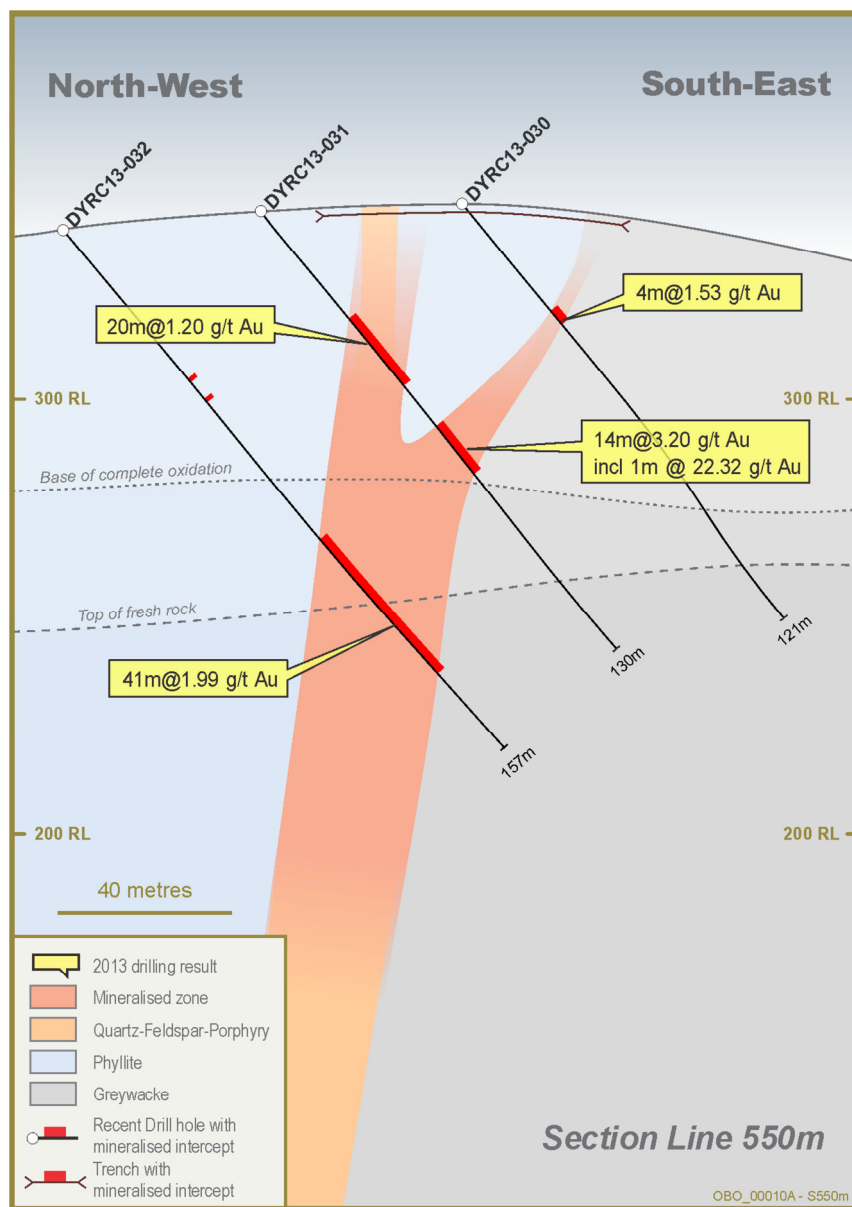


Figure 2: Collar Plan of RC Drilling



**Figure 3: Cross Section at Dynamite Hill (Section Line 550m)**