

TSV / ASX ANNOUNCEMENT

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Auger Drilling Confirms Significant Exploration Targets at Kubi Gold Project, Ghana

Priority drilling targets identified as regional exploration gathers momentum

Key Points:

- Initial 4,800m shallow auger drilling program completed at 90%-owned Kubi Project as part of PMI's expanded regional exploration program in Ghana.
- Widespread zone of gold anomalism (+40ppb) so far confirmed over 1.2km in an emerging target area located 1.4km SW of Kubi Main Zone deposit.
- High gold values of up to 2,000ppb Au (2g/t Au) returned over strike lengths of 100-200m, within the broader anomalous zone. Further results to come.
- Kubi 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 Ayanfuri deposit, 12km to the south-west.
- Additional drilling rigs contracted which will increase total drilling capacity to 5 rigs by August, allowing exploration drilling to commence at Kubi and Asankrangwa, which will complement resource drilling currently underway at Obotan.

PMI Gold Corporation (TSX-V: PMV; ASX: PVM) is pleased to provide an update on its regional exploration activities in Ghana which are gathering momentum with the first assay results received as part of an ongoing auger drilling program at the **Kubi Gold Project** (see Figures 1 & 2).

Kubi Auger Drilling Program

The recently completed first phase of shallow auger drilling program at the Kubi Gold Project was focussed on the Ashanti Shear and was designed to evaluate historical gold anomalous results along strike from the previously reported 513 Prospect (see ASX/TSX announcements dated 7 January 2010 and 10 December 2010) and the degree to which previous soil sampling was influenced by transported overburden.

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 3-5 metres. In-fill sampling was carried out on 100m spaced lines in areas of anomalism. The saprolite horizon was sampled to overcome the masking effects transported overburden.

A total of 38 lines were drilled, comprising 1,048 holes for total drilling of 4,831 metres. To date, assay results have been received for 823 samples of the total 2,663 samples, representing approximately 35% of the overall program. Further results will be reported when they are received.

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Significant gold anomalism has been defined by a 40ppb Au threshold over a total strike length of up to 1.2km along the Ashanti Shear. Within this anomaly peak zones of greater than 200ppb Au, with maximum gold concentrations of up to 2,000ppb (2g/t Au), were delineated over strike intervals of 100-200m.

The results received to date confirm the reliability of the historical anomalous soil sampling results and provide additional detailed information for carrying out further auger sampling plus follow-up Aircore and RC drilling when two newly contracted drill rigs arrive on site (estimated to be in August 2011). A second auger programme is expected to commence following review of first phase results, and will be extended into other tenement areas.

PMI Gold's Managing Director, Mr Collin Ellison, said the results of the shallow auger program were very encouraging and highlighted the significant exploration potential of the Kubi Project for further occurrences of high grade gold mineralisation along the Ashanti Trend as well as the parallel Kubi Trend.

"The auger drilling has confirmed the results of previous soil geochemistry and defined priority areas for deeper drilling, which is scheduled to commence within the next two months," he commented.

"In addition, we have been able to develop a clearer understanding of the structural setting which will assist in delineating targets for future drilling. The occurrence of the same series of east-northeast trending structures that coincide with the Ayanfuri deposit are considered to be of particular interest for future exploration," he added.

Kubi Strategy

The Kubi Project is located 50km 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 6.6Moz (reported Measured Indicated and Inferred Resources) Ayanfuri gold deposit (owned by Perseus Mining).

Kubi overlies the north-easterly trending Ashanti Shear (which hosts the Obuasi deposit), the Kubi Trend and a series of cross-cutting ENE trending structures – a similar structural setting to that which hosts the Obuasi and Ayanfuri deposits (see Figure 1).

Previous exploration at Kubi indicates that near-surface gold anomalism is extensively distributed along these two trends. However, drilling has only been carried out at isolated locations, and in particular at the Kubi Main Deposit (NI-43-101 Mineral Resource estimate: Measured and Indicated 233,000oz @ 5.48g/t Au, Inferred 115,000oz @ 5.31g/t Au) on the Kubi Trend, and more recently 1.4km to the south-west at 513 Prospect on the Ashanti Trend, which was discovered last year.

At Kubi, PMI Gold has a two-pronged strategy, namely:

- *a re-evaluation of the Kubi Main resource to better understand the controls and internal distribution of the mineralisation and scope for additional drilling to delineate resource extensions. PMI is aiming to complete this work in the September 2011 Quarter; and*
- *explore the highly prospective gold anomalous areas along strike from the Kubi Main deposit and along the parallel Ashanti Trend commencing at the 513 Prospect, which returned intersections last year including 4.75m (estimated true width 3.05m) @ 3.75g/t Au from 85m, 8.00m (estimated true width 5.14m) @ 3.68g/t Au from 64m and 1.00m (estimated true width 0.64m) @ 15.35g/t Au from 66m.*

Regional Exploration Strategy

PMI Gold has been building up its exploration capacity, including the engagement of additional drill rigs, following the recent appointment of experienced Exploration Manager, Mr Thomas Amoah and the recruitment of three field geologists and a surveyor/database officer, to initiate regional exploration programs on the Asankrangwa Project and brown fields targets at Obotan in parallel with the Pre-Feasibility evaluation of the Obotan Gold Project.

Two additional drill rigs – one Reverse Circulation (RC) and one Rotary Air Blast (RAB)/Aircore rig – are currently being custom constructed and are scheduled to be shipped to Ghana by mid-August, increasing the total number of available drill rigs to five (three Diamond Drill rigs are already operating at PMI's Obotan Gold Project).

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

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.

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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 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 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.

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

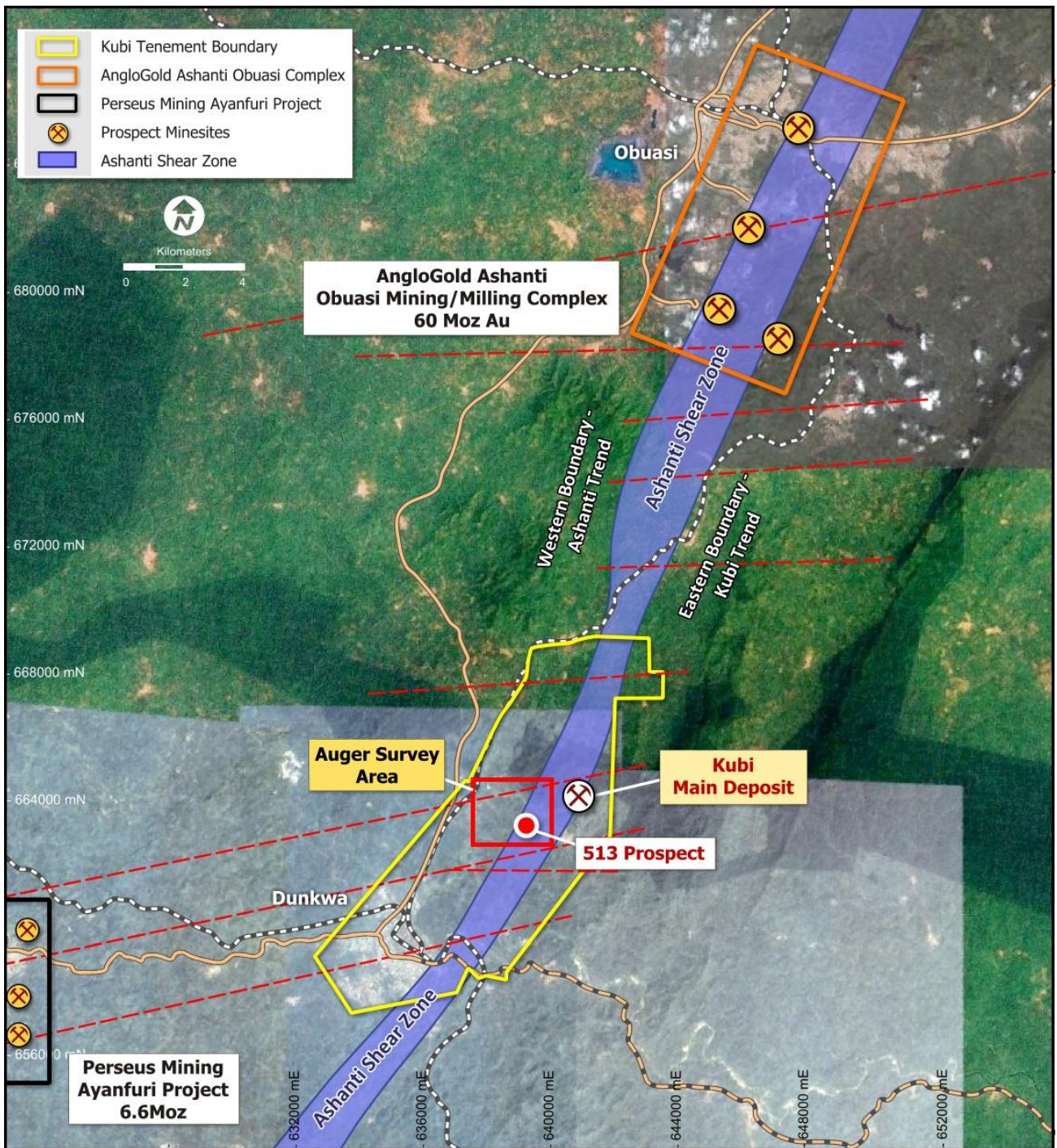


Figure 2 – Kubi Exploration – Grade Contours resulting from Auger Sampling Programme

