

Attention Business Editors:  
PMI Gold updates Obotan project, Ghana

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VANCOUVER, June 30 /CNW/ - PMI Gold Corporation (TSX/V:PMV) - Douglas MacQuarrie, President, provides an overview and update on the Company's Obotan gold project located in Ghana, West Africa. Obotan covers a 20 km section of PMI Gold's 70 km's of holdings along the Asankrangwa Gold Belt and includes dozens of historical mining operations and three recently producing mines, the Nkran, Abore and Adubiaso (please see map at: [http://www.pmigoldcorp.com/i/maps/2008-08-21\\_NRM.jpg](http://www.pmigoldcorp.com/i/maps/2008-08-21_NRM.jpg)).

These mines were previously operated by Resolute Amansie Limited - a subsidiary of Resolute Mining of Australia. Between 1997 and 2002 Obotan produced a total of 590,000 oz. of gold from the Nkran pit at an average grade of 2.2 g/t. In addition, the Abore and Adubiaso pits together produced a further 140,000 oz. at similar grades.

A bankable feasibility study completed on the Obotan deposits in 1997 reported 38 million tonnes grading 1.96 g/t gold for 2.823 million oz. of contained gold (please see our November 7, 2006 news release at [http://www.pmigoldcorp.com/s/News.asp?ReportID\(equal sign\)157517&\\_Type\(equal sign\)News-Release\(equal sign\)PMI-Gold-Corporation-Acquires-Three-Past-Gold-Producers-in-Ghana.html](http://www.pmigoldcorp.com/s/News.asp?ReportID(equal sign)157517&_Type(equal sign)News-Release(equal sign)PMI-Gold-Corporation-Acquires-Three-Past-Gold-Producers-in-Ghana.html)). Mining commenced in 1997 and as of June 30, 2000, reported gold production totalled 273,700 oz. A mineral inventory estimate for Obotan as of June 30, 2000 was presented by Resolute in their 2000 Annual Report. It included 107,544 oz. of Proven Reserves, 45,525 oz. of Probable Reserves, 320,993 oz. of Measured Resources and 201,649 oz. of Indicated Resources, with grades in all categories ranging from 2.4 to 2.8 g/t gold. A further 73,304 oz. of Inferred Resources grading 3.8 g/t was also reported. The estimate was prepared according to the Australian Code for reporting of Mineral Resources and Reserves (the JORC code). PMI believes this historical estimate to be relevant information as to the potential resource remaining at Obotan (less subsequently reported production) but has not completed work necessary to verify its reliability and as such it should not be relied on.

Subsequent to the above noted mineral inventory estimate, production continued until the mine shut down in December 2002 primarily due to the low \$320 per oz. gold price. A further total of 274,580 oz. were produced during this 2.5-year period while new resources continued to be added to the overall inventory. In June 2003, Resolute published a final estimate of mineral resources at Obotan. The estimate is presented in their 2003 Annual Report and filed with the Australian Stock Exchange, available at: (<http://www.asx.com.au/asxpdf/20031021/pdf/3jfw9h0jqlyh9.pdf>).

Resolute completed their reclamation and returned the lease to the Government in July 2006. The Company applied for and acquired the new Abore and Abirem concessions, which cover the old lease area, in November 2006 and has spent \$1.4 million in advancing the project to date. As previously reported, PMI Gold believes there is an exploration target of one to two million ounces of gold grading from 3.0 to 6.0 g/t below the Nkran pit based on previous deep drilling results and projections to 400 m below the deepest intersection (see news release referenced above). This assumption is conceptual in nature and there has not been sufficient exploration to define a mineral resource of this magnitude. Subsequent deep drilling by the Company under the Nkran pit, however, has confirmed continuity of structure and grade

of the gold mineralization where tested, and as reported on August 29, 2007:  
[http://www.pmigoldcorp.com/s/News.asp?ReportID\(equal sign\)205224&\\_Type\(equal sign\)News-Release\(equal sign\)PMI-Gold-Drills-44.5-Metres-2.61-GT-Au-at-Nkran-Ghana.html](http://www.pmigoldcorp.com/s/News.asp?ReportID(equal sign)205224&_Type(equal sign)News-Release(equal sign)PMI-Gold-Drills-44.5-Metres-2.61-GT-Au-at-Nkran-Ghana.html).

An evaluation of the underground mining potential of the Nkran Deposit by RSG Global Consulting Pty. Ltd. in 2007 confirmed PMI's general concept of how to advance the Nkran project towards an underground drilling/bulk sampling program and also suggested a low cost mining method and related costs ([http://www.pmigoldcorp.com/s/News.asp?ReportID\(equal sign\)195933&\\_Type\(equal sign\)News-Release\(equal sign\)PMI-Gold-Releases-RSG-Global-Report-on-Mining-Potential-of-Nkran-Ghana-Gold.html](http://www.pmigoldcorp.com/s/News.asp?ReportID(equal sign)195933&_Type(equal sign)News-Release(equal sign)PMI-Gold-Releases-RSG-Global-Report-on-Mining-Potential-of-Nkran-Ghana-Gold.html)). Further studies to expand the mineral resources, and to consider alternative mining and milling options are ongoing.

The Company is also strongly encouraged by the previous work on Obotan, and considers this information highly relevant to the potential of the property to host a sizeable mineral resource:

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- Higher grades are contained within lower grade envelopes and dilution won't be critical.
- Screen fire assay retests conducted on high-grade intersections indicate a significant coarse gold component to the high-grade zones which may not be reflected in the current assay database.
- Metallurgical test work on drill core composites from beneath the Nkran pit indicated recoveries of +96.6% on leached concentrator tails with +75% of the gold reporting to the gravity circuit; and that the assay database may be significantly under calling the grades of the high grade lodes as the metallurgical leach tests returned a 52% upgrade over the original screened 50 gram gold fire assays.
- Modelling suggests that the majority of the high-grade mineralization is within structures which are vertical with good continuity horizontally and vertically.
- The Western zone, also referred to as the Galamsey Reef, remains open to the south and at depth below the Nkran pit.

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In 2008, a VTEM survey flown over a 3.8 x 4.0 km area centered just NE of the Nkran pit confirmed conductors in areas of known gold mineralization and identified new drill targets for Obotan style gold mineralization. A total of six medium to high priority target zones were picked for follow up. Four of these targets have no record of previous drill testing, and the other two correspond with areas of known gold mineralization. The VTEM survey results indicate that high priority targets for Obotan style gold mineralization can be outlined by the technique to depths of 400 metres.

The Company is continuing to source funding to address our current debt, to commercialize our Kubi gold project, to advance Obotan to the pre-feasibility stage and to continue exploration of the Company's other holdings.

This news release has been prepared by Douglas R. MacQuarrie, P.Geo. (B.C.), a Qualified Person under National Instrument 43-101, and is based on numerous visits to the Obotan property and the mine while in operation, examination of selected drill core, and a review of pertinent technical reports.

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On behalf of the Board,

"Douglas R. MacQuarrie"

Douglas R. MacQuarrie  
President & CEO

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