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***PMI GOLD RELEASES RSG GLOBAL REPORT ON MINING  
POTENTIAL OF NKRAN, GHANA, GOLD MINE***

**July 9, 2007, Vancouver BC - PMI Gold Corporation (TSX.V:PMV)** – Douglas MacQuarrie, President, announces that the Company has received from RSG Global Consulting Pty. Ltd of Perth, their report on the “Evaluation of the Underground Mining Potential of the Nkran Deposit.”

RSG Global was commissioned to consider the following scenarios at Nkran, one of the Company’s three recently acquired gold mines in Ghana:

- the possible economic and technical feasibility of an underground operation should exploration prove up sufficient resources at Nkran;
- a costing of initial exploration development by decline to 120 metres below the pit, with crosscuts and drill bays for an underground exploration drill program, and
- a review of possible recovery of gold from on site rock dumps.

RSG Global in their Executive Summary, stated that :

*“The Obotan Project is a rehabilitated open pit gold mine located in Ghana, West Africa. PMI Gold requested that existing information regarding one of the deposits associated with the mine, Nkran, be evaluated for underground mine potential.”*

*“The block model provided was constrained to show only the blocks above an estimated cut off grade of 3.6 g/t Au within the nominated area of interest. This process isolated three possible stoping blocks. The blocks were then cut from the block model and tonnes and grade above cut off was determined. A design was created to access the underground mineralisation and the design was fully costed.”*

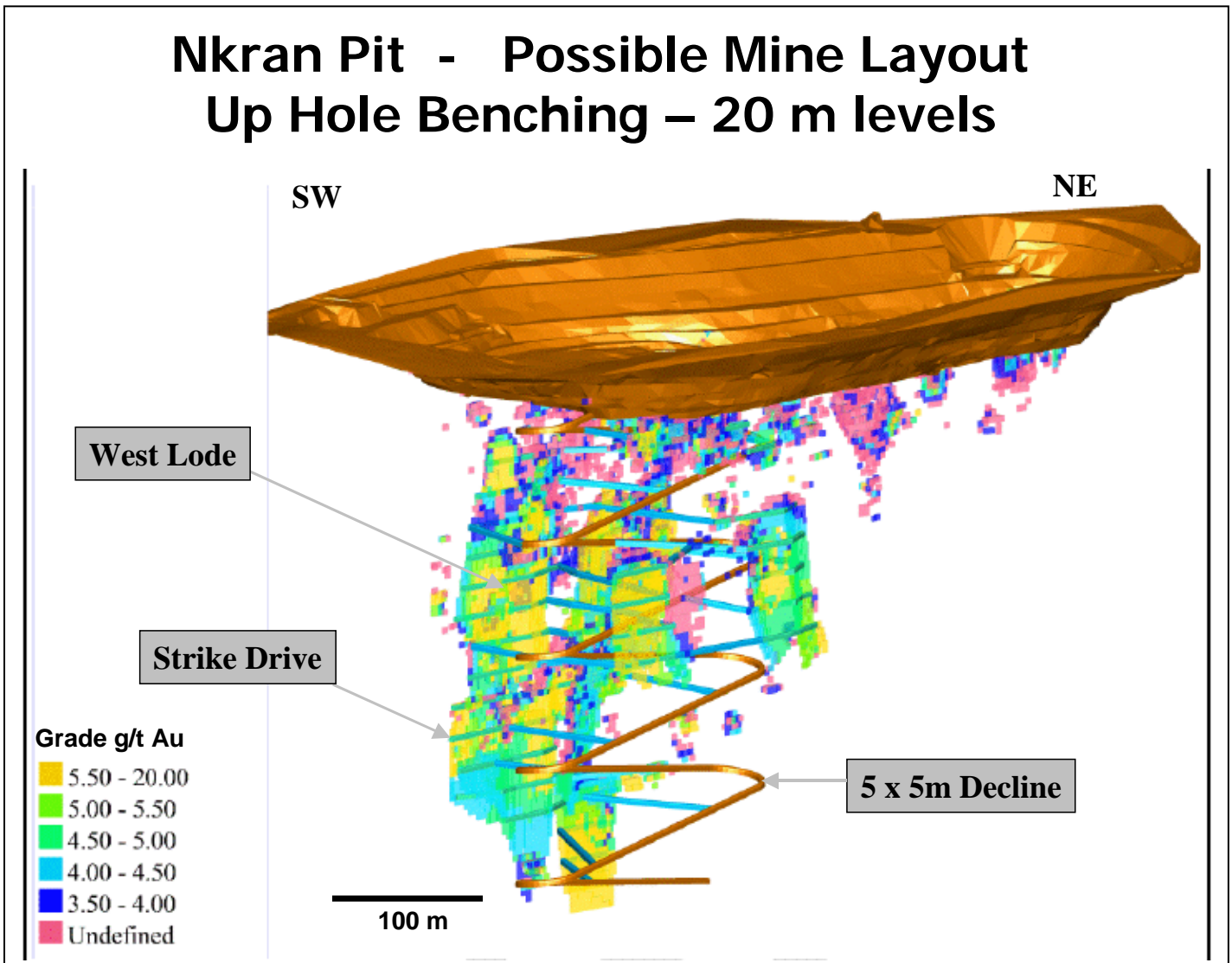
*“RSG Global is aware that the deposit is part of a well mineralised system and additional exploration has the potential to identify additional mineralisation which may become economic, however the current study has been based on the available data only.”*

*“The existing waste dumps may provide an additional ore source which would improve the processing economics by increasing throughput and potentially lower the cut off grade for the underground operations. This depends entirely on determining with some certainty the presence of a parcel of economic material (in the dumps). At this stage, there is insufficient data to make a definitive comment on the potential viability of the dumps.”*

In order to evaluate possible mining scenarios, RSG Global constructed a Surpac model, combining the available previously estimated block models. Sufficient deep drilling data was only available for the West Lode below the southern half of the Nkran Pit, and the model was limited to this area. Given the size and

orientations of the outlined mineralized blocks, a low cost ‘up hole benching’ mining method, suitable for a locally trained workforce, was proposed.

In order to complete a program of resource definition drilling and test mining/bulk sampling, it is proposed to dewater the pit and drive a 5x5 metre decline from the bottom of the pit – south end to a depth of 120 metres below the current pit base. The results of this further exploration program would provide the data for a pre-feasibility study that would define the gold resource and economic parameters.



Based on similar 500 tpd operations in Australia and Africa, and using an overall mining dilution of 18% and a mining recovery of 80%, RSG Global estimated mine operating costs at US\$29.70 per tonne; and total site based operating costs including milling but not capital, of US\$62.18 per tonne. RSG Global also

calculated that if sufficient resources were defined to increase the throughput to 1,500 tpd, the total operating costs would drop to circa US\$50.00 per tonne. Costs to dewater the pit and complete the first 800 metres of decline and drill bays, were estimated at US\$4.3 million.

RSG Global has also calculated that a minimum gold resource of 160,000 oz of Au at a grade of 4.6 g/t would be required to cover the outlined development and operating costs. Any resource outlined in excess of this amount should, with the current gold price and costs, contribute directly to generating a mining surplus.

PMI Gold believes there is an exploration target of one to two million ounces of gold grading above 3.0 g/t below the Nkran pit, based on deep drilling results and projections to 400 metres below the deepest intersection. This assumption is conceptual in nature and there has not been sufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource, and is based on the following:

- 1) Previous operators had completed studies concerning possible underground mining scenarios with access via a decline from near the base of the pit. These preliminary studies were based on 58 drill holes which intersected +3.0 g/t Au mineralized material below the level of the pit. PMI Gold has recently completed a deep hole under the Nkran pit to confirm the previous results. Assays will be reported at the conclusion of the drill program.
- 2) Two major near vertical gold bearing structures have been partially outlined - the Western and Eastern high grade lodes. The Western lode has true widths of from 15 to 50 metres, and using a top assay cut of 50.0 g/t Au, grades generally in excess of 3.0 g/t Au, and locally to 50.0 metres grading 6.4 g/t Au. The Western lode is from 200 to 300 metres in length and plunges to at least 400 metres below the pit. The Eastern lode is much narrower, 2 to 10 metres wide, and with generally higher grades than the Western Lode.
- 3) Previous studies indicate that:
  - 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 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;
  - modelling suggests that the majority of the high grade mineralization is within structures which are vertical with good continuity horizontally and vertically;
  - the Western lode has not been closed off to the south or at depth.

Douglas MacQuarrie, President, states "RSG Global has confirmed our general concept of how to advance our Nkran project towards an underground drilling/bulk sampling program and suggested a low cost mining method and related costs. Further studies to optimize the access and mining method will be commenced immediately. In addition, recent deep drilling has intersected the Western lode at a depth of 350 metres below the pit. As with previous drilling at Nkran, minor visible gold has been noted in several

of the recently completed holes. Sampling and assaying are underway, with results expected in the next few weeks.”

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 property, examination of selected drill core, and a review of technical reports. The full RSG Global report is available on the company’s web site or on PMI Gold’s documents filed on SEDAR at <http://www.sedar.com>.

PMI Gold's properties include the former Nkran, Adubiaso and Abore mines, which collectively produced 730,000 ounces of gold prior to their closing in 2003. The concessions cover 470 sq km over a 70 km length of the Asankrangwa Gold Belt in Ghana. Ghana is Africa's second largest gold producer and has recently attracted some US\$1.5 billion in committed foreign investment due to its long mining history, prospective resource base, reasonable taxation and stable government.

On behalf of the Board,

**"Douglas R. MacQuarrie"**

Douglas R. MacQuarrie  
President & CEO

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