

# PMI GOLD

C O R P O R A T I O N

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## ***PMI GOLD ANNOUNCES POSITIVE PRELIMINARY ASSESSMENT SCOPING STUDY RESULTS FOR KUBI GOLD PROJECT, GHANA***

**April 10, 2008, Vancouver BC - PMI Gold Corporation (TSX.V:PMV)** reports the recently completed Preliminary Assessment-Scoping study commissioned by the Company on its 100% owned Kubi Gold Project in Ghana, West Africa, indicates that the Project can be developed as a profitable underground mining operation with a base case Internal Rate of Return (IRR) of 28%, and a Net Present Value (NPV) at a 10% discount rate, of \$38.6 million. Based on the findings of the Golder Associates Ltd. ('Golder') study, PMI Gold is now advancing Kubi toward a full feasibility study for production of up to 50,000 ounces of gold per year at an expected average cash cost of production for the first five years of \$336 per ounce. All figures are in USD.

Golder has recommended moving forward with detailed proposals for a full feasibility study, including environmental, geo-technical, shaft and mine design, condemnation drilling, equipment selection, infrastructure development, further metallurgical testing to permit optimizing the recovery process, water and tailings management, and final mine rehabilitation.

Kubi has a 19.6 square kilometre mining lease in place, which was issued in April 1999 for a term of 10 years. Further to the renewal terms of the lease, the Company has applied for a 20 year extension. Initial gold production is slated for Q1 2011, however given the well developed infrastructure, the availability of local highly skilled miners and contractors, and the fact that surface mining has already occurred at the site, PMI Gold will work to advance this date. Based on these positive results, the Company has commenced discussions with interested parties to raise the required debt financing.

### **Mining Plan, Indicated Resources and Project Economics**

The following financial analysis is prepared on a pre-tax, ungeared and unhedged basis. Using Golder's base case, with initial head grades of 6.9 g/t gold and decreasing to 3.7 g/t from year 7, a gold price of \$750 per ounce, operating at 500 to 900 tpd, the project generates an IRR of 28%:

<b>IRR Gold @ US\$750/oz</b>	<b>NPV @ 10%</b>
<b>28% pre-tax</b>	<b>\$38.6 million pre-tax</b>

Indicated Mining Resource: 5.1 million tonnes @ 4.092 g/t, containing 505,122 oz gold  
(contained within the published Indicated Mineral Resources)

Mill Feed Grade: 6.876 g/t gold in the first year

Mining Rate:	150,000 tpa for 2011, inc. to 280,000 tpa from year 4 onward
Oz Gold per year:	33,000 to 50,000 oz per year
Mine Life:	14 years
Start Production:	Q1 2011
Capital Cost:	\$41.5 million which includes a 20% contingency allowance
Average Cash Cost:	\$336 per oz of gold produced, for first 5 years
Operating Cost:	\$60.47 per tonne initially, decreasing by 10% within 3 years
Assumed Exchange Rate:	CAN\$1=US\$1

Golder has recommended drilling three additional test holes for geo-technical and mill site condemnation purposes, and to further delineate an indicated high grade core to the current Indicated Mining Resource. This high grade area has been partially defined by 17 drill holes, however due to the wide drill spacing, these high grades have not been incorporated into the present financial analysis, and represent considerable project upside.

### **High Margin, Low Energy, Low Capital Cost, Micro-Mining Model**

In order to minimize the Project's environmental footprint and at the same time to maximize the local stakeholder involvement, mine life as well as the financial returns, PMI Gold has chosen to develop Kubi using conventional underground, narrow mining methods – similar methods that were used successfully at the nearby AngloGold Ashanti Obuasi Mine for most of its 110 year operating history. Mine access will be provided by sinking a 4.25 metre diameter circular shaft to an initial depth of 400 metres. In addition to the skip and skip cage, the shaft will also provide a ladderway and services/ventilation compartment. Mining of the steeply dipping vein system will be by standard shrinkage mining methods. Drifts will be at 30 metre levels, and initially stopes will be 60 metres long by 30 metres high, and have an average width of 2 metres, each stope representing 10,000 tonnes or 2 weeks production. Allowance has been made in the mining plan for a deep exploration program from the 370 metre level to explore for additional resources.

Previous metallurgical tests indicate that the gold mineralization at Kubi is non-refractory and free-milling. The processing facilities will include crushing and grinding circuits followed by a gravity separation circuit, which is expected to recover +85% of the gold. Based on further metallurgical testing, the process will be optimized to maximize the returns. Initial discussions indicate that the mill and ancillary equipment of the size required are not long lead time items and are generally available. Further development at Kubi is subject to obtaining suitable financing and the granting of all the necessary permits and licenses.

### **Indicated Mineral Resources**

Golder Associates Ltd. prepared a NI 43-101 compliant mineral resource report which was previously reported on September 17, 2007, and is filed on Sedar. The mineral resource estimate was based on data from 212 diamond drill holes using multiple indicator kriging within a geologically constrained wire frame, no cut-off grade, and limited to a depth of 400 metres below surface:

<b>CATEGORY</b>	<b>MILLION TONNES</b>	<b>GRADE (G/T)</b>	<b>OUNCES OF GOLD</b>
<b>INDICATED</b>	5.13	3.66	604,085
<b>INFERRED</b>	5.38	1.88	315,079

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability.

### **History and Geologic Setting**

The Kubi deposit was first developed by local artisanal miners, with eight adits being driven in the 1920's. In 1988 BHP (now BHP Billiton) outlined strong gold anomalies near the old workings and completed a program of ground geophysics and drilling. Through the late 1990's, Nevsun Resources Ltd. ('Nevsun') completed exploration totalling over \$20 million and defined gold mineralization in a near vertical 1.0 to 15.0 metre thick gold, garnet, and sulfide rich horizon. Extensive drilling has defined the mineralized zone over an 1,800 metre long by up to 700 metre deep block contained within a northeast trending shear zone at the contact between Birimian and Tarkwaian metasediments. Between 1999 and 2004 the property was leased to AngloGold Ashanti, who trucked the ore to their nearby Obuasi plant from two small open cut pits, recovering 58,696 ounces of gold from surface oxide ore grading 3.65 g/t gold. The Government of Ghana retains a 10% free carried interest and International Royalty Corporation holds a 3% net-profits interest. The purchase of Kubi by PMI Gold is subject to a final payment of USD 3 million to Nevsun Africa (Barbados) Ltd., a subsidiary of Nevsun, with simple interest calculated daily at a rate of 6% per annum, commencing 13 April 2008, and to be completed by 27 June 2008.

David Buckle, PMI Gold's Executive Chairman stated, "We are highly encouraged by the results of the Golder study which reaffirms our belief in the commercial viability of the Kubi deposit at gold prices well below current levels. Drill results indicate the presence of a high grade core which we believe may give considerable upside to the cash flow in the vital, early years and when allied to Golder's low cost micro-mining technique and the use of simple metallurgical processing, reduces project risk considerably. Further optimisation will establish whether a flotation/CIL circuit creates value as initial indications are that a gravity circuit will deliver recoveries in the range of 85-90% rendering further investment unnecessary. We are further encouraged by Golder's support for the immediate move to a full feasibility study which are likely to be completed in a relatively short period of time as Kubi is a brownfields site with an existing mining lease."

### **About PMI Gold**

PMI Gold now controls four previous operating mines on its 698 square kilometres of leases and concessions located along the prolific Ashanti and Asankrangwa gold belts in Ghana. In addition to developing a mine at Kubi, PMI Gold has contracted Golder to prepare an initial resource estimate for the Nkran deposit at our Obotan Gold project. Ghana is Africa's second largest gold producer and has attracted over \$7 billion in foreign direct investment into the minerals and mining sector over the last decade. Ghana is a destination of choice because of its long mining history, prospective resource base, reasonable taxation and stable government.

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 the report by Eric Hinton and David Farrow of Golder Associates Ltd.(which will be filed on Sedar at <http://www.sedar.com>); and a review of the significant Kubi historical data including visits to all the concessions referred to herein.

On behalf of the Board,

**"Douglas R. MacQuarrie"**

Douglas R. MacQuarrie  
President & CEO

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