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Vancouver, British Columbia

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## NEWS RELEASE

### AM GOLD ANNOUNCES \$3.5 MILLION BROKERED PRIVATE PLACEMENT

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**AM Gold Inc. (TSX-V: AMG; Frankfurt: AMX)** (“AM Gold” or the “Company”) is pleased to announce that it has entered into an engagement letter with Casimir Capital Ltd. (the “Agent”) for a brokered private placement consisting of up to 8,571,429 flow-through common shares of the Company (the “FT Shares”) at a price of \$0.35 per FT Share and up to 1,562,500 units (the “Units”) at a price of \$0.32 per Unit for aggregate gross proceeds of up to \$3,500,000 (the “Offering”).

Each Unit will consist of one common share in the capital of the Company (a “Common Share”) and one-half of a transferable share purchase warrant (a “Warrant”). Each whole Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.40 per Common Share for a period of 18 months following the closing of the Offering. If the Common Shares close for 20 consecutive trading days at a volume weighted average trading price above \$0.75, the Company will have the right to require conversion of the Warrants at the exercise price therefor by providing a notice (the “Conversion Notice”) to the Warrant holders. Upon receipt of the Conversion Notice the holder must exercise the Warrants then held in accordance with their terms within 30 days of receipt of such notification (the “Conversion Deadline”), after which Conversion Deadline any unexercised Warrants will be deemed to have expired.

The Units and the FT Shares will be made available by way of private placement exemptions in the provinces of British Columbia, Alberta, Ontario and such other jurisdictions within and outside of Canada as may be agreed upon by the Agent and the Company.

On closing of the Offering the Company will pay the Agent a cash commission equal to 6% of the gross proceeds of the FT Shares and Units placed by the Agent and will issue the Agent non-transferable broker warrants (the “Agent’s Warrants”) equal to 6% of the aggregate number of FT Shares and Units placed by the Agent. Each Agent’s Warrant will entitle the Agent to purchase one Common Share at a price of \$0.40 per Common Share for a period of 18 months following the closing of the Offering. The Agent’s Warrants will be subject to the same acceleration provision as the Warrants. The Company will also reimburse the Agent for reasonable fees and expenses incurred in connection with the Offering. No commission or Agent’s Warrants will be paid on up to \$400,000 in gross proceeds subscribed for by individuals on the Company’s President’s List.

Closing of the Offering is subject to a number of conditions including receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a statutory hold period of four months and a day from the date of issuance in accordance with applicable securities law.

The gross proceeds from the sale of the FT Shares will be used by the Company to incur Canadian Exploration Expenses (“CEE”) (within the meaning of the *Income Tax Act* (Canada) (the “ITA”)), which will qualify as “flow-through mining expenditures” for the purposes of the ITA, related to the exploration of the Company’s Red Mountain gold project in the Yukon Territory, Canada. The proceeds from the sale of the Units will be used to fund the continued exploration of the Company’s Red Mountain gold project in Yukon Territory, Canada, the continued exploration and development of the Company’s Pinaya gold-copper project in southern Peru and for general working capital purposes.

### **About AM Gold Inc.**

AM Gold Inc. is a publicly held resource company based in Vancouver, Canada. The Company is listed on the TSX Venture Exchange under the symbol “AMG” and is quoted on the Frankfurt Exchange under the symbol “AMX”. The Company is focused on creating shareholder value through the development of the Company’s gold and gold-copper projects in the Yukon and Peru while building a portfolio of quality pipeline projects in North and South America. The Company’s Red Mountain gold property is located in central Yukon Territory approximately 55 kilometres northwest of the community of Mayo in the Tintina Gold Belt. AM Gold holds an 80% interest in Red Mountain with an option to acquire 100% ownership of the 52 contiguous claims that constitute the property and cover approximately 1,168 hectares. AM Gold’s Pinaya gold-copper project is located approximately 775 kilometres southeast of the city of Lima, Peru in the Tintaya Gold Belt. The Company maintains 100% ownership of 35 mining concessions covering the 19,200 hectare Pinaya land position. AM Gold’s corporate offices are located Suite 305 – 369 Terminal Avenue, Vancouver, British Columbia, V6A 4C4 (phone: 604-646-0067).

### **ON BEHALF OF AM GOLD INC.**

“John Fiorino”

John Fiorino

Chief Executive Officer  
AM GOLD INC.

*For further information on AM Gold, please contact Murray Caruth at 1-604-646-0067 or by email at [mcarruth@amgold.ca](mailto:mcarruth@amgold.ca), or visit AM Gold’s website at: <http://www.amgold.ca>.*

*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.*