



Suite 605-369 Terminal Avenue, Vancouver, BC, Canada V6A 4C4
Telephone: (604) 646-0067 Fax (604) 692-0117

Vancouver, British Columbia

May 10, 2012

NEWS RELEASE

AM GOLD: PINAYA ZTEM GEOPHYSICAL SURVEY DELINEATES 19 NEW TARGETS AND SUGGESTS SIGNIFICANT LATERAL AND DEPTH EXPANSION POTENTIAL OF CURRENT RESOURCE ZONES

AM GOLD INC. (TSX-V: AMG; Frankfurt: AMX) (“**AM Gold**” or the “**Company**”) announces the results of the recently completed geophysical surveys at the Company's Pinaya gold copper-silver project. The surveys outlined 19 EM anomalies indicative of sulphide mineralization, within a wider area of moderate chargeability and lower magnetic response interpreted as altered volcanic or intrusive rocks.

Neil Downey, VP of Exploration, comments “These results indicate size and depth continuity to the alteration we have mapped and sampled at surface, and will provide a useful guide to the forthcoming exploration program. There is a strong correlation between the existing drilling and geophysical signatures and additional targets throughout the property as well as potential for expansion of the resource both laterally and at depth. The existing geophysical signature indicates that the three resource zones designated the NW Porphyry, the Western Porphyry, and the Gold Oxide Skarn zone (as per news releases dated May 12, 2011, June 2, 2011, June 6, 2011) are adjoined at depth and expansive laterally. The presence of the high sulphidation epithermal Au-Ag-Cu mineralized zones remote from the resource area substantiates the potential to expand the current resource on the property.” Mr. Downey further noted “The geophysics combined with surface geochemistry has confirmed the 4 mineralized zones surrounding the resource area as primary drill targets. An additional 3 drill targets have been outlined on the southern portion of the property. We have defined 4 anomalous areas in the northern portion of the property for detailed follow up to outline drill targets”. See the maps appended to this news release for further details on the geophysical survey.

The helicopter borne ZTEM geophysical program targeted disseminated and semi-massive copper sulphide mineralization to a depth of up to 1,500 metres. The ZTEM results, from 1,358 line kilometers of survey at 200 metre line spacing, indicate the presence of multiple porphyry targets at depth. A 2D inversion over the resource area has indicated an apparent intrusive with deep roots. The survey also indicates that this feature is open to the North and South along with associated alteration of sediments to the east. The survey shows a large NNW-SSE trend of relatively high background resistivity and low magnetics through the center of the property. Four priority conductor target areas with co-incident surface soil/rock Cu-Ag-Au geochem anomalies and associated mapped porphyry outcrops have been outlined within this

major tend (see the maps appended to this news release). Additional 2D inversions will be completed in the anomalous zones to provide detailed modeling for upcoming drill programs.

The Pinaya gold copper-silver project is located within the prolific Tertiary Volcanic Andahuaylas-Yauri Belt of southern Peru. The AM Gold land package, within the heart of the tightly held area, is surrounded by BHP Billiton, Teck, Newmont, Vale, IAM Gold, Orion, and a number of smaller mining companies. Goldfields and Buenaventura are also prominent in the area with their recent discovery of Chucapaca. Mapping by AM Gold in 2011 at Pinaya yielded additional widespread alteration, brecciation, vein stockworking and high level porphyry outcrops correlating to the existing resource and indicative of the presence of porphyry systems at depth. Completion of surface rock and soil geochemistry work over the southern portion of the property identified several new zones with anomalous copper and associated silver and gold values. The observed epithermal Cu-Ag-Au mineralization is typical of that proximal to porphyry systems.

Geotech Airborne Geophysical Surveys, with head offices in Aurora Ontario, conducted the helicopter borne ZTEM survey. Preliminary reports were prepared by Ali Lartrous and Jean Legault P.GEO, P.Eng of Geotech Ltd. Kyle T. Grey, Consulting Geologist of Reno Nevada completed a review for AM Gold.

Dr. Stewart Jackson P Geol, a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects, is responsible for the preparation and verification of the technical information in this release.

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. The Company's Red Mountain gold property consists of approximately 3,600 hectares of contiguous quartz claims. 52 of such quartz claims (1,168 hectares) are held 80% by the Company with an option to acquire 100% ownership and are subject to a net smelter returns royalty and 131 quartz claims (2,430 hectares) are held 100% by the Company. 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 605 – 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 mcaruth@amgold.ca, or visit AM Gold's website at: <http://www.amgold.ca>.

Cautionary Statement Regarding "Forward-Looking" Information

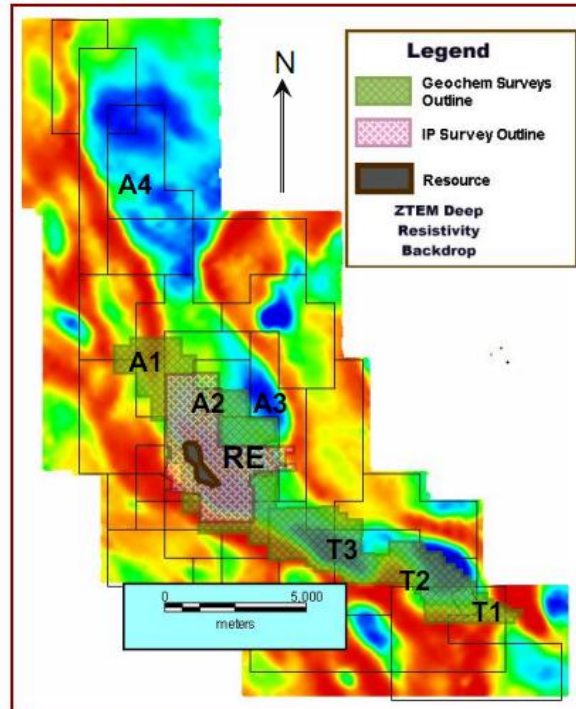
Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

ZTEM Deep Resistivity

Correlates with Cu Geochem

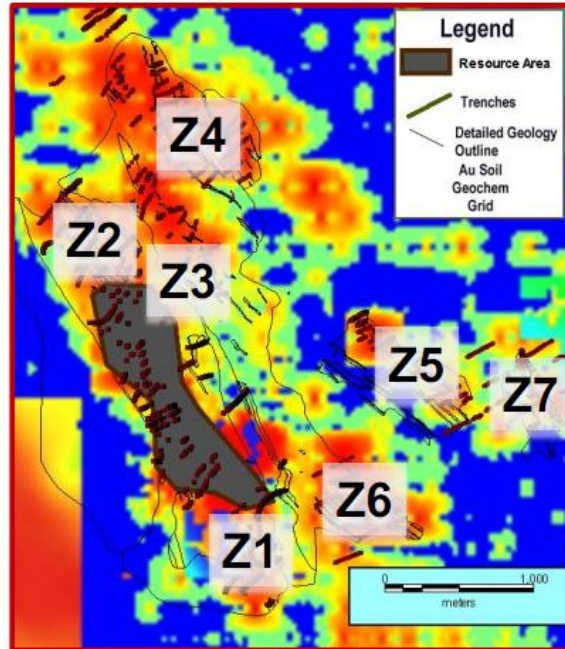
- RE - Resource Expansion potential, open in 3 directions and at depth
- T – Primary Targets recently identified
- A - Areas of Interest



Resource Area Development Zones

ZTEM Correlates with Au Geochem

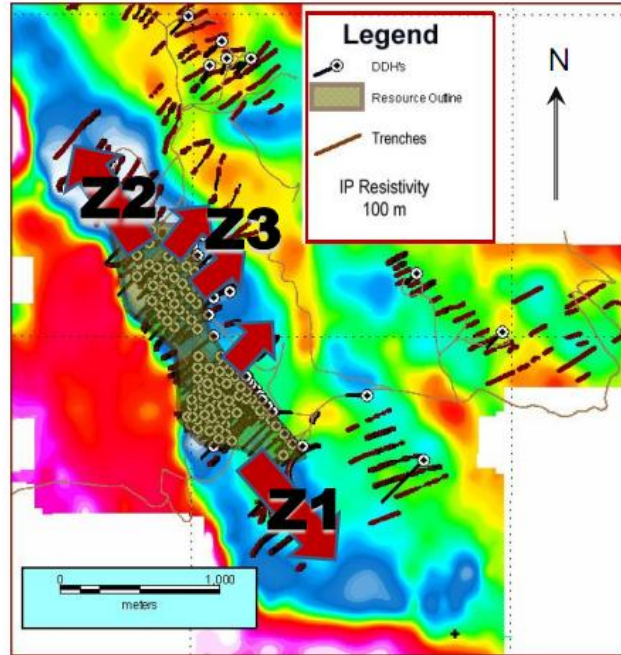
- Geophysics interpretation suggests multiple zones are connected at depth
- Dimensions 3 km X 4 km
- 3 adjacent zones
 - Z1 - Viscachani
 - Z2 - Antares
 - Z3 - East Antares
- 4 peripheral zones
 - Z4 - Montaña Cobre y Oro
 - Z5 - Minas Jorge
 - Z6 - Los Vientos
 - Z7 - Pedro



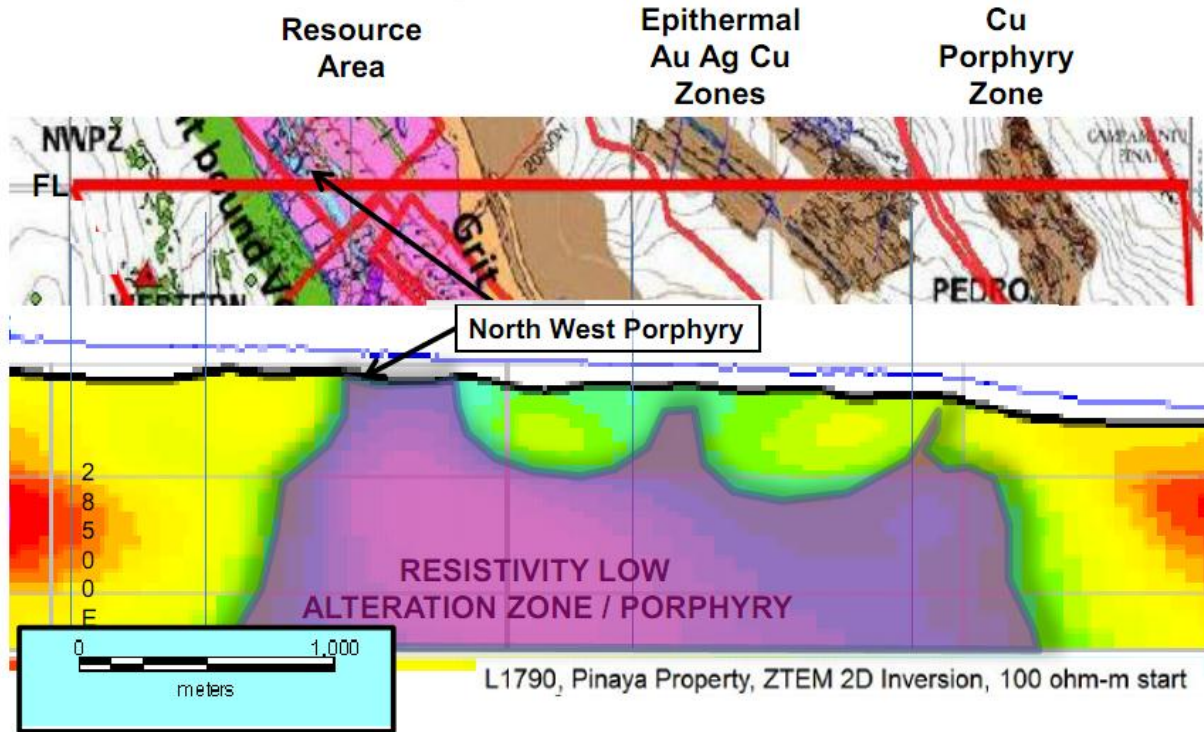
Resource Expansion – Adjacent Zones

ZTEM correlates with IP Resistivity

- Resource area open in 3 directions and at depth
- Overall strike length at surface traced for 3 km +
- Z1 – Viscachani (South)
 - strong drill & trench results
 - ZTEM & IP indicates extension
- Z2 - Antares (North)
 - positive trench & geochem
 - IP confirms extension
 - Au w Cu in geochem
- Z3 - East Antares (East)
 - positive trench & geochem
 - epithermal E flank of NWP
 - Ag mineralization



ZTEM Profile Across Resource Area Large Scale System



Property Wide Potential ZTEM Magnetics

- Resource Proximity
 - 3 adjacent zones
 - 4 peripheral zones
- South Pinaya
 - 3 high priority exploration targets identified
- North Pinaya
 - several areas of interest
 - wide open for exploration

