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May 3, 2011

CLOSING OF PRIVATE PLACEMENT

Mahdia Gold Corp is pleased to announce the closing of a private placement announced on March 21, 2011 was oversubscribed. The company will issue 14,000,000 units for proceeds of CDN \$3,500,000 raised. Each unit will consist of one common share and one-half of one transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at any time for two years from the closing date at a price of \$0.45. The warrants will be subject to forced conversion if the 10-day volume-weighted average trading price exceeds \$0.65 during the period starting 4 months from closing. The Company may pay finder's fee in cash and/or securities in connection with the private placement.

GUYANA OFFICE LEASE SIGNED

In Guyana, Mahdia Gold Corp has signed a lease agreement for two years for a small building to serve as our Guyana headquarters. The building has a number of furnished bedrooms on the upper floor and will serve as accommodation for overseas staff, geologist and engineers as they travel into and work in Guyana, cutting down on hotel expenses. Our Guyana HQ is located in the central part of the capital city of Georgetown and is a few blocks from the Canadian and American embassies and the Prime Minister's office. The Prime Minister serves also as the Minister of Mines in the Guyana Government.

EQUIPMENT PURCHASE / EXPLORATION / OMAI UPDATE

Management has scheduled a visit next week to Guyana dedicated to the bid for the OMAI goldmine property and for our exploration project at Tiger River. A deal to purchase equipment including excavators, drilling equipment will be dealt with on that trip.

WHITE CREEK PROPERTY

Management is hopeful to have agreeable terms in place to close the White Creek property (former Stratagold and Newmont JV) by Friday May 6th, 2011. CEO Alan Zaakir has contacted Newmont Mining about acquiring the geological data. A press release will follow on Friday May 6th, 2011 on White Creek efforts and property data.

Mahdia Gold Corp currently has 62,004,020 shares outstanding.

For further information contact:

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