



15, Gamble Street East – Suite 204 - Rouyn-Noranda (Québec) (Canada) J9X 3B6
(TSX Venture Listing = ZGG)

PRIVATE PLACEMENT

Rouyn-Noranda, Canada – August 12, 2011 – Z-Gold Exploration Inc. is announcing that the private placement announced on June 2, 2011 has not been closed. The Company expects to close this placement in the coming weeks and has requested an extension to the TSX-Venture.

Z-Gold Exploration Inc. has engaged Union Securities Ltd. to act as its agent, on a commercially reasonable basis, to offer by way of brokered private placement of up to 10,000,000 units (“Units”) and/or flow-through units (“Flow-Through Units”) at a price of \$0.15 per Unit or Flow-Through Unit for aggregate gross proceeds of \$1,500,000. Each Unit is comprised of one common share and one common share purchase warrant (a “Warrant”). Each Flow-Through Unit is comprised of one flow-through common share and one-half of one (½) Warrant. Each whole Warrant will allow the subscriber to purchase one non flow-through common share (a “Common Share”) of the Company at a price of \$0.25 per Common Share and will be valid for a period of 24 months from the date of the closing.

Union Securities Ltd. will receive a commission of 8% in cash based on all the Flow-Through Units and Units sold. In addition, Union Securities will receive compensation options equal to 10% of all Flow-Through Units and Units sold pursuant to this offering.

The securities issued pursuant to this private placement are subject to a hold period of four months and one day from closing. This placement is subject to the approval of the regulatory authorities.

About Z-Gold Exploration Inc.

Z-Gold has as its flagship property the Abitibi Gold Property located in Munro Township in the famous Timmins mining camp. There are many surface gold showings that require investigation by ground geophysical surveys and followed up by a diamond drilling program. A recent airborne survey has successfully outlined many EM and magnetic structural features. A geophysical feature similar to the Croesus mine has been identified. The Abitibi Gold Property consists of 112 claims located approximately 86 kilometres east northeast of the city of Timmins in the Larder Lake Mining Division, Ontario.

Z-Gold Exploration Inc. is a publicly listed company trading on the TSX Venture (ZGG).

This press release was prepared by Z-Gold Exploration Inc. Neither the TSX Venture Exchange Inc nor its Regulation Services Provider (as that term is defined in the Policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the adequacy or accuracy of this release.

This document may contain forward-looking statements relating to Z-Gold's operations or to the environment in which it operates. Such statements are based on operations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to predict and may be beyond Z-Gold's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in forward-looking statements, including those set forth in other public filing. In addition, such statements relate to the date on which they are made. Consequently, undue reliance should not be placed on such forward-looking statements. Z-Gold disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws.

For further information, contact:

Rodrigue Tremblay, President and CEO

Phone: (888) 764-5195
(819) 797-0596

Fax : (819) 797-6050

Web site: www.zgoldexploration.com

Email : z-gold@tlb.sympatico.ca