

NEWS RELEASE 17-28

December 14, 2017

## PURE GOLD EXPANDS MINERAL RESOURCE WITH ADDITIONS FROM RUSSET SOUTH AND FORK SATELLITE DEPOSITS

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce the addition of mineral resources from two satellite deposits at its 100% owned Madsen Gold Project (“Madsen”) in the Red Lake mining district in northwestern Ontario. This estimate, which includes mineral resources from the Russet South and Fork deposits, adds 96,000 ounces of indicated resources and an additional 118,000 ounces of inferred resources to the Madsen Gold Project. Both deposits outcrop at surface and are situated approximately 1.5 kilometres from the existing milling infrastructure, and both remain open for expansion, highlighting the organic growth opportunity at Madsen. The mineral estimate was prepared by Ginto Consulting Inc. of Vancouver, Canada (“Ginto”) and is dated December 14, 2017.

Significant release highlights:

- New indicated mineral resources at Russet South total **56,000 ounces** (259,000 tonnes at an average grade of 6.7 g/t gold) and inferred mineral resources total **71,000 ounces** (322,000 tonnes at an average grade of 6.8 g/t gold) at a 4.0 g/t cut-off;
- New indicated mineral resources at Fork total **40,000 ounces** (194,000 tonnes at an average grade of 6.5 g/t gold) and inferred mineral resources total **47,000 ounces** (255,000 tonnes at an average grade of 5.8 g/t gold) at a 4.0 g/t cut-off;
- The Fork and Russet South deposits have the potential to positively impact annual throughput and the production profile at Madsen;
- Both deposits are outcropping at surface, road accessible, close to existing milling infrastructure, and remain open for expansion;
- Exploration at site continues with 28,000 metres of surface drilling designed to target discovery and growth of mineral resources; and
- No update was completed at this time for the main Madsen deposit mineral resource and the resource estimate disclosed on August 2, 2017 remains current.

“The discovery of high-quality, near surface mineral resources with strong potential to positively impact project economics is an important component of our strategy at Madsen,” said Darin Labrenz, President and CEO of Pure Gold. “Our exploration to date has been highly successful in outlining the exceptional growth opportunity demonstrated by the significant expansion of the Madsen mine resource, previously disclosed, and the current addition of initial satellite resources. With both Russet South and Fork deposits hosting near surface mineral resources within 1.5 kilometres of our existing milling infrastructure, we can begin to consider a scenario where supplementary mill feed from satellite deposits adds flexibility and an opportunity to boost the production profile.”

The mineral resources reported herein represent the first two initial estimates of the Company's several satellite targets, and both targets remain open for further substantial expansion along strike and particularly to depth. Importantly, the technical team has developed a proven understanding of mineralizing controls both within and outside of the main Madsen Mine trend, and this understanding is adding considerable strength and confidence to our exploration targeting to expand known resources and to discover and delineate additional satellite deposits.

### Mineral Resource Estimate

The geologic model utilized for both the Russet South and Fork estimates is integrated with the Company's current geologic understanding of the Madsen mineral system. The mineral resource estimate at Russet considered data from 32,803 metres of drilling from 123 drill holes, of which 110 drill holes were completed by Pure Gold. The data cut-off used for the resource estimate at Russet South is October 20, 2017. At Fork, the mineral resource estimate considered data from 44,087 metres of drilling from 117 drill holes, of which 21 drill holes were drilled by Pure Gold. The data cut-off used for the resource estimate at Fork is October 20, 2017. At both deposits all available drill holes completed by other operators were re-logged and re-sampled if required, and all available collar locations were surveyed by sub-meter differential GPS.

The estimation methodology used for all zones is ordinary kriging and the mineral resource is reported at a 4.0 g/t gold cut-off based on a gold price of US\$1,200 per troy ounce, gold metallurgical recoveries of 92 percent, and assumed underground mining methodology.

Table 1 and 2 show the sensitivities of tonnes, grade and ounces, to different cut-off grades, for the Russet South and Fork deposits.

**Table 1. Russet South Deposit Only:  
Mineral Resource Sensitivity by Cut-off Grades – Effective December 14, 2017**

Cut-off Grade (g/t Au)	Indicated			Inferred		
	Tonnes	Grade (g/t Au)	Contained Gold (oz.)	Tonnes	Grade (g/t Au)	Contained Gold (oz.)
1.0	694,000	3.9	87,000	807,000	4.2	108,000
2.0	492,000	4.9	77,000	646,000	4.8	100,000
3.0	355,000	5.8	67,000	422,000	6.0	82,000
<b>4.0</b>	<b>259,000</b>	<b>6.7</b>	<b>56,000</b>	<b>322,000</b>	<b>6.8</b>	<b>71,000</b>
5.0	183,000	7.6	45,000	260,000	7.4	61,000
6.0	135,000	8.4	37,000	179,000	8.2	47,000

**Table 2. Fork Deposit Only:  
Mineral Resource Sensitivity by Cut-off Grades – Effective December 14, 2017**

Cut-off Grade (g/t Au)	Indicated			Inferred		
	Tonnes	Grade (g/t Au)	Contained Gold (oz.)	Tonnes	Grade (g/t Au)	Contained Gold (oz.)
1.0	457,000	4.0	59,000	1,362,000	2.8	123,000
2.0	332,000	5.0	53,000	777,000	3.8	95,000
3.0	258,000	5.7	48,000	471,000	4.7	71,000
<b>4.0</b>	<b>194,000</b>	<b>6.5</b>	<b>40,000</b>	<b>255,000</b>	<b>5.8</b>	<b>47,000</b>
5.0	134,000	7.4	32,000	138,000	6.9	31,000
6.0	78,000	8.7	22,000	58,000	9.0	17,000

**Table 3. Mineral Resource Statement for Madsen Gold Project<sup>1,3</sup>**

Resource Classification	Deposit	Tonnes	Grade (Au g/t)	Contained Gold (oz.)
<b>Indicated</b>	Russet South	259,000	6.7	56,000
	Fork	194,000	6.5	40,000
	Madsen	5,785,000	8.9	1,648,000

<b>Inferred</b>	Russet South	322,000	6.8	71,000
	Fork	255,000	5.8	47,000
	Madsen	587,000	9.4	178,000

\* Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category. All figures have been rounded to reflect the relative precision of the estimates. Mineral Resources are reported at a cut-off grade of 4.0 g/t gold based on US\$1,200 per troy ounce gold and gold metallurgical recoveries of 92 percent. Madsen Mineral Resources reported on August 2, 2017. Russet South and Fork Mineral Resources are effective December 14, 2017



To view a map showing an overview of resource and target locations on the Madsen Gold Project, please click here: <http://www.puregoldmining.ca/sites/default/files/ResourceTargetMap1712.pdf>

To view a map showing the Russet South and Fork deposits in relation to the Madsen Gold Project site plan, please click here: <http://www.puregoldmining.ca/sites/default/files/SitePlan1712.pdf>

The updated mineral resource estimate for the Russet South and Fork deposits is reported at a 4.0 g/t Au cut-off effective December 14, 2017<sup>1</sup>. The Madsen deposit mineral resource is reported at a 4.0 g/t cut-off effective August 2, 2017. No update was completed at this time for the main Madsen deposit mineral resource and the resource estimate disclosed on August 2, 2017 remains current. As such, the Preliminary Economic Assessment (“PEA”) disclosed by the Company on September 14, 2017 also remains current. It is anticipated that the Madsen deposit mineral resource will be updated in conjunction with the 2018 Madsen Feasibility Study. To date, approximately 43,000 metres from 93 drill holes have been drilled to test and infill certain areas in the Madsen mine resource since the April 11, 2017 data cut-off.

### **Exploration Next Steps**

Drilling and applied geoscience to date has provided a strong understanding of the controls and continuity of mineralization and the Company continues to successfully test extensions of the large mineral system present across the Madsen Property. Recent drilling by the Company has successfully pursued near surface extensions of the Madsen mineral system southward from the Fork deposit into the footwall of the Starratt Olsen Mine. Results from this drilling are pending and will be released once received.

Additionally, the Company will be targeting the Russet South – 8 Zone corridor in 2018 with the goal of expanding known mineralization up dip from the 8 Zone and down dip from Russet South, as well as testing the 1.6 kilometre gap between the two gold deposits. The Company intends to resume surface drilling in early 2018 to target the down dip extension of Russet South, with the intent of expanding the resource below its current depth extents of approximately 250 metres.

### **ABOUT MADSEN**

The Madsen Gold Project has historic production of 2.5 million ounces of gold and remains one of the highest-grade, undeveloped gold projects in the world.<sup>2</sup> With an indicated resource of 1,744,000 ounces gold at 8.7 g/t gold (in 6.2 million tonnes) and an inferred resource of 296,000 ounces gold at 7.9 g/t gold (in 1.2 million tonnes), the Project benefits from existing infrastructure including a mill and tailings facility, paved highway access, and access to power, water and experienced labour.<sup>3</sup> The initiation of a feasibility study in 2017 has put the Madsen Gold Project firmly on the path to becoming Ontario’s next gold mine.

- (1) A Technical Report, which will include details for this resource estimate, will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) within 45 days.
- (2) Sourced from the Natural Resource Holdings Global Gold Mines & Deposit Ranking of 2013
- (3) See the National Instrument 43-101 technical report entitled “Preliminary Economic Assessment of the Madsen Gold Project for Pure Gold Mining Inc., Red Lake, Ontario, Canada” with an effective date of September 14, 2017 for complete details, available on the Company’s website at [www.puregoldmining.ca](http://www.puregoldmining.ca) or Sedar profile at [www.sedar.com](http://www.sedar.com).

### **QA/QC and Core Sampling Protocols**

Drill core samples are bagged and sealed and submitted to SGS in Red Lake, Ontario for sample preparation by crushing to 75% less than 2mm, a riffle split of 1kg, and pulverization of the split to better than 85% passing 75 microns. Gold analysis is completed in the SGS Red Lake lab with a 30g fire assay and AAS finish (code GE-FAA313). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GO-FAG303). Mineralized zones with visible gold are also analyzed by a 1kg screen fire assay with screening to 106 microns (code GO-FAS1K). Two 30g fire assays are conducted on the screen undersize and combined with an assay of the entire oversize fraction. Control samples (accredited standards and non-accredited blanks) were inserted on a regular basis. Results are assessed for accuracy, precision and contamination on an ongoing basis.

### **Qualified Persons and 43-101 Disclosure**

The Mineral Resource Estimate was prepared by Marc Jutras, P.Eng., M.A.Sc., Principal, Ginto Consulting Inc., an independent Qualified Person in accordance with the requirements of National Instrument 43-101 ("NI 43-101") and Mr. Jutras has approved the disclosure herein.

Christopher Lee, P.Geo., Chief Geoscientist for the Company, is a Qualified Person within the meaning of NI 43-101 and supervised the geologic modelling which formed the basis of the resource estimation.

Phil Smerchanski, P.Geo., Vice President, Exploration for the Company, is the designated Qualified Person for this news release within the meaning of National Instrument 43-101 ("NI 43-101") and has reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure of same.

### **ABOUT GINTO**

Marc Jutras, P.Eng., M.A.Sc., Principal, Ginto Consulting Inc. was Senior Geostatistician at Barrick and Placer Dome for 17 years and Director of Mineral Resources at Alamos Gold for 6 years prior to creating Ginto Consulting Inc.

### **ABOUT PURE GOLD**

Our mandate is pure and simple. To dream big. To colour outside the lines. To use smart science and creativity to unlock the next major discovery at the Madsen Gold Project in Red Lake, Ontario. And become Canada's next iconic gold company.

Additional information about the Company and its activities may be found on the Company's website at [www.puregoldmining.ca](http://www.puregoldmining.ca) and under the Company's profile at [www.sedar.com](http://www.sedar.com).

### **ON BEHALF OF THE BOARD**

*"Darin Labrenz"*

**Darin Labrenz, President & CEO**

### **Investor inquiries:**

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*All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pure Gold within the meaning of applicable securities laws, including, but not limited to statements with respect to those that address potential quantity and/or grade of minerals, potential*

*size and expansion of a mineralized zone or deposit, proposed timing of exploration and development plans. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Pure Gold and there is no assurance they will prove to be correct.*

*Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the interpretation of results at the Madsen Gold Project; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration as well as those factors discussed in the Annual Information Form of the Company dated June 17, 2016 in the section entitled "Risk Factors", under Pure Gold's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although Pure Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Pure Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.*