

NEWS RELEASE 18-13

May 30, 2018

**PURE GOLD FULLY FUNDED TO RAPIDLY ADVANCE MADSEN THROUGH FEASIBILITY STUDY AND PERMITTING UPDATES**

**Company also expands exploration program with an additional 21,000 metres of drilling focused on Wedge deposit**

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to provide an update on the development and exploration activities at its 100% owned Madsen Gold Project (“Madsen”). With the close of the recent financing, and approximately \$24 million now in the treasury, the Company is fully funded to complete the definitive feasibility study (DFS), finalize remaining mining and processing permits, extract a 7,200 tonne bulk sample, and undertake an additional 21,000 metres of exploration drilling focused on increasing the scale of the project beyond that contemplated in the feasibility study.

Upon the completion of the DFS in October, 2018, the Company will be in a position to make a production decision and ramp up pre-production work as permits are updated. Meanwhile ongoing exploration efforts will be primarily focused on expanding mineralization at the Company’s Wedge target with a goal of estimating a mineral resource for this area in Q4 2018. New resource areas at the Wedge, Russet South and Fork deposits have the potential to provide both near term mine plan scalability and mine life extension.

**Project Development Update**

The Company has made significant progress on the DFS including completion of trade-off studies, metallurgical test work, geotechnical field studies, and has initiated detailed mine design work that will form the foundation of the Madsen development and production schedule.

“Our feasibility team is making great progress and the study is on track for completion in Q4 2018” stated Darin Labrenz, President and CEO of Pure Gold. “Importantly, our work program is fully funded through to mid-2019 when we anticipate having all required updated permits in place to support our goal of advancing Madsen to production. As outlined in our 2018 Preliminary Economic Assessment, Madsen has the potential to be a low capital intensity project leveraging key existing infrastructure to provide high margins, setting it apart from other near term producers in our space. Our current development program is designed to further de-risk the project, demonstrate the upside growth potential and scalability, and put the Madsen Gold Project firmly on the path to becoming Ontario’s next gold mine.”<sup>1</sup>

To date, the Company has:

- initiated the definitive feasibility study of the Madsen Gold Project, advancing towards to a production decision in the shortest timeline possible;
- completed the rehabilitation of the Madsen ramp;
- completed the rehabilitation of Two Level from the Madsen ramp and an exploration drift allowing for infill drilling of preliminary stope areas;

- completed rehabilitation of the shaft manway to 4 level, providing secondary egress from the Madsen ramp;
- completed 18,000 metres of underground resource definition drilling from the Madsen ramp and new exploration drift, with multiple drill holes both upgrading and expanding the mineralization outside of the current resource;<sup>2</sup>
- completed trade-off studies exploring the use of the existing Madsen No. 2 shaft for ore and waste hoisting;
- evaluated the capacity of existing tailings management facility (TMF) and designed TMF expansion options within the existing footprint;
- completed a geotechnical site investigation of the TMF, including substantial geotechnical drilling, test pits and installation of groundwater monitoring wells;
- collected approximately 1,000 kg of mineralized drill core intercepts and underground samples and completed initial phases of metallurgical test work with recoveries from samples averaging 95.4%, with a range from 90% to 99%, and an average of 36% reporting to the gravity circuit;<sup>3</sup> and
- initiated detailed mine design work to support the DFS development and production schedule.

To support the DFS initiatives, test mining has commenced with development in progress to support the planned extraction of 7,200 tonnes of mineralized material designed to establish both lateral and vertical continuity. The existing Madsen ramp is currently being driven an additional 100 linear metres to access the bulk sample location, with approximately 225 metres of lateral development and 50 metres of vertical development. During the test mining the Company plans to implement a comprehensive production-level mapping and sampling program including face chip samples, test hole sludge samples, and extensive muck sampling, along with 2,100 metres of bazooka (EW-size) core drilling.

### **Exploration Update**

The Company continues to demonstrate strong upside potential at Madsen, with additional discoveries announced in January from the Wedge target area. Since November 2017, the Company has completed 23,000 metres of exploration drilling from surface.

Wedge drill result highlights announced to date include:<sup>4</sup>

- **33.3 g/t gold over 8.3 metres** from drill hole PG17-467;
- **25.2 g/t gold over 2.1 metres** from drill hole PG17-482;
- **21.3 g/t gold over 10.3 metres** from drill hole PG17-486; and
- **22.5 g/t gold over 2.0 metres** from drill hole PG18-505.

Given the positive exploration results, the Company is herein announcing an increase of 21,000 metres of surface drilling at Madsen, with the primary goal of expanding the mineralized zones at Wedge, and declaring maiden resources for the area in Q4 2018, to expand the satellite resource inventory.

Expansion of the exploration program will increase the total surface drilling planned for 2018 to approximately 40,000 metres. Exploration drilling on the property is ongoing with two surface drill rigs currently active. Results from completed surface drilling at both Wedge and Russet South, and completed underground drilling from the Madsen exploration drift are pending and will be released when available.

### **ABOUT MADSEN**

The Madsen Gold Project has historic production of 2.5 million ounces of gold and a current 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>1</sup> A feasibility study is underway with results expected in the fourth quarter of 2018 and the Madsen Gold Project is firmly on the path to becoming Ontario's next gold mine.

- (1) See the National Instrument 43-101 technical report entitled "Technical Report for the Madsen Gold Project - Restated Preliminary Economic Assessment and Initial Satellite Deposit Mineral Resource Estimates" with an effective date of December 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).
- (2) See news release dated April 11, 2018
- (3) See news release dated April 3, 2018
- (4) See news releases dated January 31, 2018 and April 3, 2018

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

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 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**

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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, 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 16, 2017 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.*