

NEWS RELEASE 14-11

AUGUST 7, 2014

## PURE GOLD ANNOUNCES 2014 DRILL PROGRAM AT THE MADSEN GOLD PROJECT

### *9,000 metre drill program planned for resource expansion and target generation*

VANCOUVER, B.C. – Pure Gold Mining Inc. (TSX-V; PGM) (“**Pure Gold**” or the “**Company**”) is pleased to announce the launch of a 9,000 metre drill program directed at key exploration targets at its 100% owned Madsen Gold Project in the prolific Red Lake gold district of northwest Ontario. The program is expected to commence in mid-August, and is designed to test and expand the current mineral resource, while concurrently testing high-grade, 8 Zone-style mineralization targets developed through ongoing consolidation and evaluation of the large historic database.

“We are excited to launch our 2014 drill program as we begin to test targets developed through our ‘proof of concept’ exploration model,” stated Darin Labrenz, President & CEO of Pure Gold. “Initial drilling is designed to increase the mineral resource and will test near surface targets along the 12-km Madsen Trend. Drilling will expand to test highly prospective targets generated from early exploration activity with a goal of discovering new zones of high-grade mineralization along the 10 km-long ultramafic contact.”

Pure Gold’s \$4.0 million program combines 9,000 metres of exploration drilling, a geological Footprint Modelling program, a 1,643 line-kilometre helicopter-borne geophysics survey, structural mapping, and a robust geochemical soil and rock sampling program designed to expand and delineate targets along the 12 km-long Madsen unconformity and the 10 km-long ultramafic contact within the Madsen property.

The program will be focused on near-surface step out drilling around the high-grade mineralization in the Madsen Mine Trend, as well as exploration drilling at the McVeigh Ramp, Fork Zone, Junction, Point and other high priority targets across the property. Pure Gold drilling will occur on patented mineral claims easily accessed from the extensive infrastructure network.

#### **DETAILS OF THE TARGETS TO BE DRILL TESTED:**

##### ***McVeigh Ramp Target:***

The McVeigh Zone is a zone of highly strained, moderately to strongly silicified and biotite altered pillow basalts and minor sulphidic sediments, located approximately 750 metres southwest of the Madsen shaft. Typically gold occurs within three stacked lenses of silicified and altered basalt with two to five percent pyrite and lesser pyrrhotite. The McVeigh Ramp has been historically explored and developed in the top two levels of the mine, but potential exists to significantly expand the resource to depth. Pure Gold will target mineralization on the southern edge of the McVeigh Ramp, below the 2<sup>nd</sup> level with the goal of improving the confidence of, and expanding the mineral resource. Historic drilling in this area has returned **5.6 metres grading 26.4 g/t gold** approximately 150 metres below surface from drill hole 4M-224, and **2.9 metres grading 9.0 g/t gold** from hole 2M-349 located approximately 100 metres below surface.<sup>1</sup>

##### ***Fork Zone Target:***

The Fork Zone target is located approximately 1,300 metres south of the Madsen shaft, and approximately 500 metres south of and along strike of the McVeigh Ramp Target. The Fork Zone was initially discovered in 2003 when drilling targeted and intersected a highly altered and deformed basalt and ultramafic contact which suggested the presence of a folded ultramafic nose. Mineralization in the Fork Zone has been interpreted by past operators to form a shallow, open, southeast plunge, and occurs as both replacement style and vein-hosted mineralization associated with the hanging wall contact of the mafic-ultramafic rock units.

Recent re-logging of Fork Zone drill holes and interpretation by Pure Gold suggests that at least two mineralization trends are defined within the Fork Zone, with a shallow flat-lying mineralized horizon intersected by a potentially higher-angle, structurally controlled high-grade vein system. Previous shallow drilling in the Fork Zone has returned **17.3 g/t gold over 10.3 metres** from RUM-08-49 and **6.7**

**metres grading 13.4 g/t gold** from hole RUM-08-52, with recent re-sampling of RUM-08-52 returning **5.8 metres grading 21.5 g/t gold<sup>2</sup>** (see *Table 1*). Potential exists at the Fork Zone to define a high-grade mineralized system analogous to 8 Zone mineralization along the mafic – ultramafic contact.

Pure Gold drilling will target both low angle and high angle mineralization in the Fork Zone utilizing oriented core in order to test prospective horizons, and better define structural control on high-grade mineralization with the goal of potentially defining a new mineral resource for the target area.

***Junction Target:***

The Junction target is located approximately 1,800 metres south of the Madsen shaft, and approximately 500 metres east of the Fork Zone target. The target lies on strike of and is interpreted to be the southern extension of the historic Austin Zone. The target has been intersected by drill hole ST-10-33 which returned intense alteration in the interpreted extension of the Austin Zone, and returned **7.0 g/t gold over 2.0 metres.<sup>2</sup>**

Recent mapping by Pure Gold on the property has focused on the unconformity contact between the Balmer Assemblage mafic volcanics, gabbro and ultramafic rocks, and the overlying Confederation Assemblage felsic volcanic rocks, with the objective of mapping in detail the rock types, alteration, geologic contacts and to explain why mineralization is focused in particular zones along the important contact. Mineralization along the unconformity coincides with increased width of biotite-garnet alteration, often in sinistral steps or jogs along the structure.

The Junction target is characterized by both a flexure in the unconformity and by increased widths of recently mapped biotite-garnet alteration. Pure Gold will target the area with drilling designed to intersect the unconformity and the altered zone on the Balmer Assemblage side of the contact. The target has historically been poorly explored, and provides an opportunity to define and extend Austin Zone mineralization one kilometer south of the Madsen Mine development.

***Point Target:***

The Point Target is located approximately 1,300 metres northeast of the Madsen Shaft. The target area was mined historically from the 10 level and lower, and is characterized by a westerly displacement in the Austin Zone. Recent surface mapping in the area has identified a thickened zone of biotite-garnet alteration associated with a sinistral jog in the unconformity which corresponds with historic mining of the Austin Zone to depth.

Pure Gold will target the prospective, near surface alteration associated with structural deformation with the goal of identifying mineralization similar to the Austin Zone mined at depth below 10 level.

***Russet South Target – 8 Zone Up Dip:***

The Russet South Target is located approximately 1,400 metres west of the Madsen Shaft, and approximately 1,600 metres up-dip of the 8 Zone resource. The target lies on the western flank of the Russet ultramafic contact and was explored historically prior to consolidation of the property. The target area exhibits strong biotite and silicified alteration in conjunction with deformation parallel to the Madsen unconformity. A second easterly trending brittle - ductile deformation zone, known as the Trans-Russet shear, has been identified in the target area and is parallel to the trend of 8 Zone mineralization at depth.

Historic work at the Russet South target defined five zones of gold bearing mineralization, the most important of which being the Main Zone and Zone 3. The Main Zone is characterized by pyrite, pyrrhotite and native gold associated with potassic alteration. Historic drilling in the area includes **2.2 metres grading 13.20 g/t gold** from hole 35, **4.0 metres grading 14.40 g/t gold** from hole UBT-88-48 and **0.8 metres grading 78.38 g/t gold** from hole UBT-88-44.<sup>1</sup>

Zone 3 is characterized by altered volcanics, commonly silicified and mineralized by pyrite, pyrrhotite and visible gold. This zone appears to be oriented east west, parallel to the Trans-Russet shear and to the 8 Zone at depth. Historic drilling in the area includes **0.7 metres grading 63.77 g/t gold** from hole 87, **13.4 metres grading 4.32 g/t gold** from hole 68-14, and **1.1 metres grading 10.11 g/t gold** from hole 68-8.<sup>1</sup>

Mineralization at Russet South has been defined by shallow drilling on the west side of Russet Lake and on the footwall side of the ultramafic contact zone. This mineralization may represent the up-dip expression of 8 Zone mineralization intersected at depth within the Madsen Mine. Pure Gold is currently conducting a focused mapping program over the Russet South target area, including a detailed soil and rock chip sampling program with the goal of drill testing the Russet South target area in the oncoming fall and winter drill program.

**Geological “Footprint Modelling”:**

Pure Gold continues to build a deposit Footprint Model with an objective of defining structural controls and alteration vectors (“footprints”) associated with gold mineralization using ultra-trace geochemistry, magnetic susceptibility, and Terraspec (ASD).

Pure Gold geologists have re-logged three historic drill holes completed by previous operators in 2008 and 2010 targeting the Apple, Fork and Starratt Zones. Concurrent with the re-logging of historic drill core and modeling, geologists are sampling mineralized zones for gold analysis as a check sampling exercise. Gold assays have been received from an additional three drill holes, with significant assay results reported below:

**Table 1- Significant Check Assay Results<sup>(3)</sup>**

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
AP-09-08	325.55	327.55	2.0	7.44	Apple
RUM-08-52	73.4	79.2	5.8	21.5	Fork
ST-10-32	705	708	3.0	11.12	Starratt

**ABOUT THE MADSEN GOLD PROJECT**

Pure Gold recently consolidated its position in the Red Lake district with the acquisitions of the Madsen Gold property and the adjacent Newman-Madsen property (see news releases dated March 4, 2014 and June 25, 2014). Together, these properties make up a 50 square kilometre land package of contiguous, patented ground, collectively known as the Madsen Gold Project. Pure Gold now holds the third largest land package in the Red Lake region.

The property is host to two past-producing mines; existing mine infrastructure including an operational headframe, a 1,275 metre-deep shaft, and a 500 tonne per day mill; an Indicated mineral resource of 928,000 ounces gold (3.24 million tonnes grading 8.93 g/t gold) and an Inferred mineral resource of 297,000 ounces gold (0.79 million tonnes grading 11.74 g/t gold)<sup>4</sup>; and, multiple highly prospective exploration targets in a geological setting analogous to other modern high-grade discoveries in the Red Lake district.

A new interpretation of the role of folded ultramafic contacts and structural controls have resulted in multiple recent discoveries in the Red Lake district, including Goldcorp’s High Grade Zone at the Red Lake Mine Complex, the Bruce Channel system at the Cochenour Mine, and the F2 Gold System at Rubicon’s Phoenix Mine. The environment and mineralization at Madsen’s 8 Zone is similar to other recent high grade discoveries in the district. Recent resampling of historic drilling at the 8 Zone returned 38.26 g/t gold over 7.5 metres (see news release dated July 7, 2014). Pure Gold believes the opportunity exists to apply modern exploration science and a new understanding of the district to achieve similar success along the ultramafic contact at the Madsen Gold Project.

At Madsen, the 10 km-long ultramafic contact is highly prospective for additional high-grade discoveries, and numerous recent discoveries along this contact have only been partially advanced. Pure Gold is pursuing a strategy of exploring for additional near surface high-grade mineralization along the 12 km-long Madsen Mine trend and the 10 km-long ultramafic contact.

(1) Historic drill hole results listed in the McVeigh Ramp and Russet South target areas were completed prior to the implementation of National Instrument 43-101. A full discussion and cautionary language regarding historic sampling practices can be found in the NI 43-101 Technical Report entitled “Technical Report for the Madsen Gold Project Red Lake, Ontario, Canada,” prepared by SRK Consulting (Canada) Inc. dated effective February 18, 2014.

(2) See the National Instrument 43-101 technical report entitled “Technical Report for the Madsen Gold Project Red Lake, Ontario, Canada,” prepared by SRK Consulting (Canada) Inc. dated effective February 18, 2014.

(3) Assay composites were calculated using uncut assays and may include internal dilution. Composites are reported as drilled widths and interpreted to vary between 70% to 85% of true widths.

**QA/QC AND CORE SAMPLING PROTOCOLS:** Check samples were submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation by crushing to 70% less than 2mm, rotary split off 1kg, and pulverize the split to better than 85% passing 75 microns. Sample pulps are shipped to the ALS assay laboratory in North Vancouver, B.C. for gold analysis with a 30 gram fire assay and AAS finish (code Au-AA23). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GRA21). Mineralized zones with visible gold are re-analyzed by a 1kg screen fire assay with screen to 100 microns. A duplicate 30g fire assay is conducted on the screen undersize while assaying of entire oversize fraction (code Au-SCR21). Control samples (accredited standards and blanks) were inserted on a regular basis. Results were monitored on receipt of assays by Gary Lustig, MSc, P.Geol., an independent consultant to Pure Gold and a Qualified Person as defined by National Instrument 43-101.

(4) See the National Instrument 43-101 technical report entitled "Technical Report for the Madsen Gold Project Red Lake, Ontario, Canada," prepared by SRK Consulting (Canada) Inc. dated effective February 18, 2014. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

### **Qualified Persons**

Darren O'Brien, 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 multi-million-ounce gold 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**

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