

NEWS RELEASE 16-05

April 4, 2016

## **PURE GOLD CONFIRMS MCVEIGH DEPTH POTENTIAL WITH MULTIPLE HIGH GRADE DRILL INTERCEPTS BELOW HISTORIC MINE WORKINGS AT MADSEN**

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to report results from diamond drilling targeting the McVeigh horizon at the Company’s 100% owned Madsen Gold Project (“Madsen”). These holes are part of the ongoing 16,000 metre drill program designed to test and build continuity of high grade gold mineralization in close proximity to the historic mine.

“Our drilling confirms that the McVeigh horizon is open for expansion down plunge. The McVeigh is a folded continuation of the Austin horizon which historically produced over two million ounces of gold in 36 years of continuous mining at Madsen,” said Darin Labrenz, President and CEO of Pure Gold. “We have now intersected broad zones of high-grade gold mineralization in multiple locations beneath historic mining areas of the McVeigh and we believe the mineralization is open to expansion at depth. While historic mining of the Austin horizon continued to a depth of more than 1,200 metres, our deepest hole to date intersected the parallel McVeigh at less than 300 metres. We see this new understanding of folding and repetition as an important development for Madsen and for the Red Lake camp and we look forward to continuing to advance Madsen by drill testing the downward plunge of these high grade shoots.”

Drilling to date has targeted down plunge extensions of high grade gold mineralization within the McVeigh horizon which remains open for expansion below a depth of 230 metres. The results of our drilling confirm that the McVeigh is a fold continuation of the Austin horizon and demonstrate the expansion potential of the McVeigh. Geologically, the mineralized shoots of the McVeigh horizon share the same characteristics and similar widths and grades as the parallel Austin horizon which produced over two million ounces of gold from surface to a depth of 1,200 metres.

Drilling on the north end of the McVeigh intersected high grade mineralization approximately 50 metres below the deepest extent of historic mining including:

- **10.3 g/t gold over 3.2 metres** in hole PG16-060
  - **including 50.8 g/t gold over 0.6 metres**

Drilling collared approximately one kilometre to the south intersected high grade gold mineralization approximately 80 metres below historic mining including the following three distinct intercepts from PG16-071:

- **11.0 g/t gold over 5.9 metres**
- **30.0 g/t gold over 1.0 metre**
- **10.9 g/t gold over 1.0 metre**

Since January 2016, approximately 6,300 metres of diamond drilling has been completed in 24 drill holes near the Madsen Mine. This initial drilling is designed to test the continuity of plunging mineralized shoots within the McVeigh horizon to a maximum depth of approximately 300 metres below surface. An additional 2,200 metres of diamond drilling has been completed in 16 holes targeting the high grade Russet South discoveries, located 1.5 kilometres from the Madsen Mine headframe, with further results pending.

Assay results from nine drill holes targeting the Austin and McVeigh horizons are highlighted in the table below:

McVeigh Target Significant Assay Results\*

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
PG16-059	246.9	248.0	1.1	6.0	Austin
PG16-060	243.0	247.0	4.0	11.9	Austin
<i>incl.</i>	246.0	247.0	1.0	24.1	
	429.2	432.4	3.2	10.3	McVeigh
<i>incl.</i>	431.8	432.4	0.6	50.8	
PG16-061	235.0	238.2	3.2	6.0	Austin
	378.5	383.0	4.5	4.6	McVeigh
<i>incl.</i>	378.5	381.0	2.5	5.9	
PG16-062	181.9	184.0	2.1	1.8	McVeigh
PG16-063	244.5	250.0	5.5	1.0	Austin
PG16-064	245.7	246.5	0.8	4.6	Austin
PG16-065	Hole Abandoned				
PG16-066	391.4	398.1	6.6	2.9	Austin
PG16-068	333.5	336.7	3.2	3.2	McVeigh
PG16-071	279.6	285.5	5.9	11.0	McVeigh
<i>incl.</i>	283.3	285.5	2.2	22.5	
	298.3	299.3	1.0	30.0	McVeigh
	310.0	311.0	1.0	10.9	McVeigh

\*Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 75% to 100% of true widths.

For a plan map showing the McVeigh horizon drill results, please click here:

<http://puregoldmining.ca/sites/default/files/Austin-McVeigh-Plan-Map-04.04.2016.pdf>

For a long section showing the McVeigh horizon drill results, please click here:

<http://puregoldmining.ca/sites/default/files/McVeigh-Long-Section-04.04.2016.pdf>

For a complete list of 2016 drill results to date, please click here:

<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table.pdf>

As previously reported, the Company has engaged Nordmin Engineering Ltd. to complete a Preliminary Economic Assessment (“PEA”) of the Madsen Gold Project. The base-case assessment is designed to minimize capital expenditures by employing existing infrastructure and resources, and is based on throughput of 500 tpd. Pure Gold is in receipt of permits to allow expansion of the existing mill facility to more than double this rate. The study is underway with results anticipated within the current quarter.

## **ABOUT MADSEN**

The Madsen Mine operated for over 36 years with historic production of 2.5 million ounces at an average grade of 9.9 g/t gold. The Madsen Gold Project hosts an operational head frame, a permitted mill and tailings facility, and access to power, water and labour. The Madsen Gold Project has an Indicated Resource of 928,000 ounces gold at 8.93 g/t Au (in 3.24 million tonnes) and an Inferred Resource of 297,000 ounces gold at 11.74 g/t Au (in 0.79 million tonnes)<sup>2</sup>. The mineral resource is based on 13,624 drill holes, evenly dispersed throughout the mineral resource. A robust geologic model based on 27 levels of geological mapping and chip sampling provides a solid understanding of continuity of mineralization.

In addition to the mineral resource, the Madsen Gold Project hosts a number of highly prospective new discoveries including the Fork Zone and Russet South targets where drilling in 2015 returned 15.0 g/t gold over 5.0 metres from hole PG15-028 and 39.1 g/t gold over 2.9 metres from hole PG15-031<sup>3</sup>. Pure Gold believes the opportunity exists to advance these near-surface, high-grade exploration targets through the application of modern exploration science and a new understanding of the district.

*(1) See press release dated January 25, 2016. (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. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. (3) See news releases dated March 2, 2015 and March 16, 2015.*

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

Drill core samples were submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation by crushing to 70% less than 2mm, rotary split of 1kg, and pulverization of 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.

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

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 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 4, 2015 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.*