

NEWS RELEASE 18-24

November 28, 2018

## **PURE GOLD TEST MINING RETURNS AN ESTIMATED 56% MORE GOLD THAN PREDICTED FROM RESOURCE MODEL**

***Test mining in three areas recovers 46% more tonnes with average mining width of 5.3 metres***

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to report that test mining at Madsen has now completed with a total of 7,096 tonnes of mineralized material extracted from three distinct stoping areas. Test mining has been extremely successful in highlighting the strong visual nature of the mineralization, demonstrating excellent ground conditions, and confirming the geologic model that underpins the mine plan for the ongoing definitive feasibility study. Results have exceeded expectations, with tonnes, grade and mining width greater than predicted from the resource model. Overall, an average grade of 10.2 g/t gold was returned from 1,555 muck samples collected during mining of the bulk sample. The average grade of 10.2 g/t gold is a capped, diluted mined grade, which comprises all muck samples from 70 rounds of freshly blasted rock, each of which averaged above a cut-off of 4.0 g/t gold.

### Key points

- At a 4.0 g/t gold cut-off, the bulk sample estimate includes 46% more tonnes, 8% higher gold grade and an estimated 56% more ounces of gold than predicted from the resource model blocks;
- Overall mining width of 5.3 metres, exceeding the predicted width of the mineralized structures by 53%.
- In the two planned stoping areas, mined tonnes were within 1% of the predicted tonnes from the resource model, with an estimate of 14% more ounces than expected due to a higher than predicted average diluted grade of 10.9 g/t gold at a 4.0 g/t gold cut-off;
- Underground drilling conducted during test mining defined a third stoping area, resulting in the mining of an estimated 440 additional ounces of gold from 1,575 tonnes at a grade of 8.7 g/t gold;
- Further underground drill results continue to identify opportunities for extensions to mining. New drilling highlights include:
  - **20.1 g/t gold over 6.0 metres** from drill hole PGB-0131, including **38.6 g/t gold over 2.0 metres**;
  - **47.6 g/t gold over 6.0 metres** from drill hole PGB-0134;
  - **30.3 g/t gold over 2.0 metres** and **133.0 g/t gold over 1.0 metre** from drill hole PGB-0140;
  - **15.2 g/t gold over 2.9 metres** from drill hole PGB-0152.

Darin Labrenz, President and CEO of Pure Gold commented, “Our test mining program has been a resounding success, checking each of the boxes we laid out when we initiated the program earlier this year. From the first round blasted in the ramp to the completion of the program in November, our team has demonstrated it can visually identify, and easily follow gold mineralization underground providing a strong validation of our geologic model. Overall, test mining returned an estimated 56% more gold than predicted, with limited dilution achieved through average widths that exceed five metres. With test mining now complete, delivering a strong validation of both geologic model and resource, we look forward to finalizing our definitive feasibility study as the next step to building a modern, scalable mining operation at Madsen.”

### **Pure Gold Completes 7,100 tonne Bulk Sample**

In late May, the Company initiated a bulk sample program designed to partially test two proposed stopes from the McVeigh zone. Test mining was completed in excellent ground conditions with approximately 242 metres of

new lateral drive development completed near the base of the two proposed stopes at a depth of approximately 160 metres below surface, and the completion of 24 metres of vertical development in two raises. An important outcome of the test mining program was the recognition of the strong visual nature of the mineralization, including abundant visible gold, distinctive veining and alteration typical of the Red Lake mining district, allowing the team to efficiently mine higher grade mineralization with limited dilution.

Grade reconciliation reported is defined by muck samples collected in a regular pattern with five individual muck samples, averaging 2 kg each, taken from every second scoop bucket, resulting in one muck sample for every three tonnes of mining. Typically, each blast had an average of about 25 muck samples collected, and all the samples from each round were averaged to confirm a particular rounds grade exceeded the 4.0 g/t gold cut-off. The average mining width over a total of 70 mining faces is 5.3 metres, with a maximum of twelve metres in true width, resulting in lower mining dilution and suggesting an opportunity locally for increased utilization of efficient bulk mining methods.

Reconciliation between mined material and the mineral resource from the two proposed stopes was exceptionally strong, with actual tonnes equal to the predicted total at a 4.0 g/t gold cut-off, and actual grade exceeding predicted by 15%. When compared to initial, diluted stope designs for the two stoping areas, test mining achieved a 20% higher grade and 11% more ounces than predicted. Overall, test mining returned 56% more gold than predicted from the resource due to the mining of parallel structures in a third stoping area, discovered by close spaced drilling conducted from underground. The successful mining of these parallel structures highlights an opportunity for future growth and additional mining from delineation drilling from underground. A summary of the test mining is outlined in the Tables reported below.

**Table 1. Results from test mining - total mineralized material**

Stockpile	Actual - Uncapped Grades			Actual - Capped Grades*		
	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
High Grade (>4 g/t Au)	4,953	11.6	1,847	4,953	10.2	1,627
Low Grade (1-4 g/t Au)	2,143	2.5	169	2,143	2.5	169
<b>Total</b>	<b>7,096</b>	<b>8.8</b>	<b>2,016</b>	<b>7,096</b>	<b>7.9</b>	<b>1,797</b>

**Table 2. Comparison of resource model predictions and actuals from mining.**

Stockpile	Predicted from Resource			Actual (Capped Grades)*		
	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
West Stopping Area	2,003	12.1	781	1,861	14.4	861
East Stopping Area	1,400	5.8	262	1,517	6.7	327
<b>SubTotal</b>	<b>3,403</b>	<b>9.5</b>	<b>1,043</b>	<b>3,378</b>	<b>10.9</b>	<b>1,188</b>
<i>Variance From Resource</i>				-1%	15%	14%
Hanging Wall	--	--	--	1,575	8.7	440
<b>Total</b>	<b>3,403</b>	<b>9.5</b>	<b>1,043</b>	<b>4,953</b>	<b>10.2</b>	<b>1,627</b>
<i>Variance from Resource</i>				46%	8%	56%

\*Individual assay results were capped to 100 g/t gold

**Table 3. Comparison of initial stope design predictions and actuals from mining.**

Stockpile	Stope Design			Actual (Capped Grades)*		
	Tonnes	Au (g/t)	Ounces	Tonnes	Au (g/t)	Ounces
West Stoping Area	2,330	11.7	801	1,861	14.4	861
East Stoping Area	1,325	6.4	272	1,517	6.7	327
<b>Subtotal</b>	<b>3,655</b>	<b>9.1</b>	<b>1,073</b>	<b>3,378</b>	<b>10.9</b>	<b>1,188</b>
<i>Variance From Resource</i>				-8%	20%	11%
Hanging Wall	--	--	--	1,575	8.7	440
<b>Total</b>	<b>3,655</b>	<b>9.1</b>	<b>1,073</b>	<b>4,953</b>	<b>10.2</b>	<b>1,627</b>
<i>Variance from Resource</i>				36%	12%	52%

\*Individual assay results were capped to 100 g/t gold

Mineralized material from the bulk sample has been stockpiled in a secure underground location at Madsen and is expected to provide future feed for mill commissioning.

Phil Smerchanski, Vice President, Exploration of Pure Gold added, “The positive results of this mining highlight the disciplined and conservative approach that Pure Gold has applied to resource estimation. Our resource work is well supported by comparison to this test program and also the extensive previous mining records at Madsen. It has been invigorating to get to work mapping and mining this gold mineralized rock that we have focused so much study on over the last 4 years. Our whole team is very excited about the growth possibilities at Madsen.”

### Underground Drilling

In concert with an extensive sampling program to characterize the mineralization during test mining, the drift walls were tested each round with a core drill to identify potential for additional mineralization. EW-sized (2.5cm) core drill holes were drilled with a Bazooka air drill with holes averaging 13 metres in length. This underground drill program has been highly successful, identifying additional mineralized structures outside of, but in close proximity to new mine development. Three of these tested structures have been partly mined along with the current bulk sample. Many of the structures remain open and demonstrate continuity providing opportunities to be incorporated into a future mine plan following a positive production decision. A summary of the new drill results is outlined in the table reported below.

### Underground Drill Results Summary

New assay results from select drill holes are outlined below:

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)
PGB-0131	1.0	7.0	6.0	20.1
<i>Incl.</i>	<i>1.0</i>	<i>3.0</i>	<i>2.0</i>	<i>38.6</i>
<i>And Incl.</i>	<i>4.1</i>	<i>5.1</i>	<i>1.0</i>	<i>32.9</i>

PGB-0133	3.5	5.5	2.0	12.3
<i>Incl.</i>	4.5	5.5	1.0	20.0
PGB-0134	2.0	8.0	6.0	47.6
<i>Incl.</i>	3.0	8.0	5.0	56.9
PGB-0140	5.0	7.0	2.0	30.3
	10.0	11.0	1.0	133.0
PGB-0143	2.4	3.4	1.0	10.9
PGB-0144	2.0	3.0	1.0	7.4
PGB-0145	0.0	2.0	2.0	12.7
	11.4	14.7	3.4	8.9
<i>Incl.</i>	11.4	12.4	1.0	29.8
PGB-0152	0.0	4.1	4.1	11.1
<i>Incl.</i>	0.0	2.9	2.9	15.2

*\*Assay composites were calculated using uncut assays and true widths are interpreted to vary from 90-100% (95%, on average) of reported core lengths above.*

For a set of figures showing the location of test mining, visible gold from working faces and recent development activities, click link below:

<http://puregoldmining.ca/sites/default/files/Test-Mining-Figure-28112018.pdf>

For a complete list of 2018 drill results to date, click link below:

<http://puregoldmining.ca/sites/default/files/2018-DH-Intercepts-Table-November-28.pdf>

## **ABOUT MADSEN**

The Madsen Gold Project has 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 extensive 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 January 2019 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).

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

All underground samples and 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 GO-FAA303). Samples returning >100 g/t Au are re-assayed with a gravimetric finish (code GO-FAG303). Control samples (accredited standards, duplicates, 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**

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 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"

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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*

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