

**NEWS RELEASE 19-11**

**May 21, 2019**

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Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not purchase or subscribe for any shares referred to in this announcement other than solely on the basis of information that is contained in the prospectus published by the Company on 14 May 2019 ("Prospectus") in connection with the proposed admission of its common shares to the standard listing segment of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange plc ("LSE").

## **Pure Gold Mining Inc.**

### **Admission to Trading on the London Stock Exchange**

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM: TSX-V) ("Pure Gold" or the "Company"), a Canadian focused gold development company that owns the high-grade Madsen Red Lake Gold Mine ("Madsen" or the "Project") in Red Lake, Ontario, is pleased to announce that at 08:00am BST today, its common shares will be admitted to the standard listing segment of the Official List and the LSE's Main Market for listed securities ("Admission") under the ticker PUR.

Admission follows the publication of the Company's Prospectus on 14 May 2019, a copy of which is available on the Company's website (<http://puregoldmining.ca/investors/LSE-Listing>), the National Storage Mechanism ([www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM)) and under the Company's Sedar profile ([www.sedar.com](http://www.sedar.com)). Hard copies of the Prospectus will also be available during normal business hours at the offices of the Company's English legal advisers, Memery Crystal LLP, at 165 Fleet Street, London EC4A 2DY.

#### **Darin Labrenz, President and CEO of Pure Gold, commented:**

*"Today marks an important new chapter for the Company as we commence trading on the London Stock Exchange alongside our existing listing in Toronto. The LSE listing is a global platform which allows us to introduce Pure Gold to European and UK investors as we approach construction of our high-grade Madsen Red Lake Gold Mine and first production targeted for next year.*

*Due to the very high grade nature of the ore body, the low capital cost, short 13-month construction period, and project location in Ontario, Canada, we have already had good interest shown by European investors. We look forward to broadening our shareholder register as we approach our first phase of production and unlock the wider deposits in our licence area within the iconic Red Lake mining district, home of Canada's highest grade gold deposits."*

Pure Gold is a Canadian focused gold developer. It has recently released the feasibility study for its flagship project, the Madsen Red Lake Gold Mine, which outlines an 800 tonne per day underground mining operation

with a 12 year life-of-mine (“LOM”), Probable Reserves of one million ounces at 9 g/t Au in 3.5 million tonnes, and a comparatively low initial capital cost of C\$95 million (US\$71 million). The Company is targeting H2 2020 for first production. In addition, specific exploration targets and satellite resources not considered in the feasibility study suggest an opportunity for near-term growth to potentially further enhance the economics of the project. A recently completed preliminary economic assessment (“PEA”) of these discoveries highlights the tremendous prospective upside present at Madsen Red Lake Mine, and demonstrates how Pure Gold would phase these new discoveries into future mine plans.

### **Key Highlights:**

#### **Madsen Red Lake Feasibility Study:<sup>1</sup>**

*Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.75.*

- Current Probable Reserves at the Madsen Red Lake Gold Mine are 1 million ounces of gold at an average grade of 9 g/t gold contained within 3.5 million tonnes;
- Modest initial capital requirement of C\$95 million including a C\$8 million contingency with access to significant existing infrastructure including underground development and plant infrastructure;
- Short 13-month pre-production period from a formal decision to mine;
- Peak annual production of approximately 125,000 ounces with average annual gold production in years 3 through 7 of approximately 102,000 ounces;
- LOM direct operating cash cost estimated at US\$607 per ounce of gold recovered;
- LOM all in sustaining cash cost (“AISC”) estimated at US\$787 per ounce of gold recovered;
- Pre-tax NPV5% and IRR of C\$353 million and 43% respectively with a 3.0 year payback of initial capital; and
- After-tax NPV5% and IRR of C\$247 million and 36% respectively with a 3.4 year payback of initial capital.

#### **Preliminary Economic Assessment for Fork, Russet South, and Wedge deposits: <sup>1</sup>**

*Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.75.*

- Initial capital requirement of C\$57 million including a 14% contingency;
- LOM direct operating cash cost estimated at US\$557 per oz of payable gold;
- LOM AISC estimated at US\$712 per oz of payable gold;
- Mine life extension of 3.7 years with total production from the Fork, Russet South and Wedge deposits of 210,000 ounces of gold;
- Pre-tax NPV5% and IRR of C\$79 million and 57% respectively with a 1.6-year payback of initial capital; and
- After-tax NPV5% and IRR of C\$51 million and 39% respectively with a 2.0-year payback of initial capital.

**The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.**

The Company's London Investor Presentation is now available on its website.

Velocity Trade Limited and Tamesis Partners LLP are acting as financial advisers to the Company and Memery Crystal LLP are acting as English legal advisers.

**-ENDS-**

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<http://puregoldmining.ca/>

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**Non-GAAP Measures and Other Financial Measures**

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this news release because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing and to plan and assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within International Financial Reporting Standards ("IFRS") and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

1. See the National Instrument 43-101 technical report entitled "Madsen Gold Project Technical Report Feasibility Study for the Madsen Deposit and Preliminary Economic Assessment for the Fork, Russet South and Wedge Deposits Red Lake, Ontario, Canada" with an effective date of February 5, 2019 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).

## **About Pure Gold Mining Inc.**

Pure Gold is a Canadian focused gold developer. It has recently released the feasibility study for its flagship project, the Madsen Red Lake Gold Mine, which outlines a 12 year LOM, current probable reserves of one million ounces at 9 g/t Au in 3.5 million tonnes, 800 tonne per day underground mining operation with comparatively low initial capital cost of C\$95 million and strong financial performance with an after-tax NPV5% of C\$247 million and an after-tax internal rate of return of 36%. In addition, specific exploration targets and satellite resources not considered in the feasibility study suggest an opportunity for near-term growth to potentially further enhance the economics of the project.

Highlighting the scalability of the project, the Company also announced the results of a preliminary economic assessment for its Fork, Russet South, and Wedge deposits that demonstrate the potential to add approximately C\$51 million to the Madsen Red Lake Gold Mine after-tax NPV5%. As a result of high gold grades, near surface resources, and use of existing infrastructure, mining of these zones will yield an after-tax internal rate of return of 39%.

Multiple high-grade gold discoveries and the infrastructure are in place to allow for the potential to turn those discoveries into mineable deposits on a short timeline which has attracted a highly passionate, skilled and experienced team. Our board, management, and technical team all have extensive experience in gold exploration and mining across the world. Perhaps more significantly, they have deep roots in Red Lake – and a rich and intimate knowledge acquired during their years mining and exploring in the area.

More than 29 million ounces of high-grade gold have been mined in the legendary Red Lake mining district of north western Ontario, making this one of the largest gold producing districts in Canada. As a multi-generational asset, the Madsen Red Lake Gold Mine represents the future of this prolific gold district. With near term production from a robust feasibility mine plan, and a potential second phase of growth highlighted by our recent PEA, the Madsen-Red Lake orebody is an exceptional foundation on which to build Canada's next iconic gold mining company.

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

Ken Donner, P. Eng., Vice President, Operations 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.

## **Forward-looking statements**

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*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, the growth potential of the Madsen Gold Mine and opportunities for scalability, the potential to increase after-tax net present value to the Madsen Gold Mine, the potential for Russet South, Fork and Wedge to be economically viable, planned mining methods, mineral processing and sources of power, expected annual production, potential profitability of the Madsen Gold Mine at lower metal prices, expected capital costs, expected IRR, anticipated permitting requirements and timing thereof, expected development schedule, expected timing of the completion of the Preliminary Economic Assessment for the Russet South, Fork and Wedge deposits, potential conversion of inferred resources to measured and indicated resources, potential extension and expansion of mineral resources and the focus of the Company in the coming months. 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 Mine; 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; the timing of future economic studies; 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 11, 2018 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.*