

NEWS RELEASE 16-33

December 20, 2016

## **PURE GOLD DRILLING EXTENDS HIGH GRADE GOLD MINERALIZATION IN THE MCVEIGH HORIZON OVER 200 METRES TO THE SOUTH**

**Drill results include 13.5 g/t gold over 4.3 metres in hole PG16-278**

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce results from drilling at the Company’s 100% owned Madsen Gold Project (“Madsen”). These results are from a 77,000 metre diamond drilling program designed to expand the high grade Austin and McVeigh gold resource and to test gold mineralization at Russet South and other satellite targets.

Highlights from new drilling include:

- **11.9 g/t gold over 2.0 metres** in hole PG16-254 (McVeigh)
- **13.5 g/t gold over 4.3 metres** in hole PG16-278 (McVeigh)
  - Including **55.2 g/t gold over 1.0 metre**
- **26.2 g/t gold over 2.7 metres** in hole PG16-279 (Austin)
- **19.3 g/t gold over 1.0 metre** in hole PG16-251 (Russet South)
- **14.4 g/t gold over 1.6 metres** in hole PG16-259 (Russet South)

“Drilling conducted by Pure Gold in 2016 has clearly demonstrated that significant mineralization exists well beyond what has been previously mined at Madsen, and we continue to build continuity in multiple targets, all in close proximity to the existing infrastructure,” stated Darin Labrenz, President and CEO of Pure Gold. “Our exploration program has resulted in a breakthrough in geologic understanding, genetically and spatially linking what were previously viewed as separate targets, and providing a clear framework for ongoing exploration targeting success. We look forward to a continued focus on resource growth in 2017 as we transition to exploration from both surface and underground.”

Drilling within the McVeigh horizon has extended the strike length of mineralization southward, with drill hole PG16-278 intersecting high grade gold mineralization approximately 200 metres south of any previous mine production from within the McVeigh horizon. Gold mineralization in the McVeigh forms repeating, south-plunging shoots and this hole, indicating another south-plunging shoot, underlines the resource expansion potential in the McVeigh. Current drilling in the McVeigh has also encountered strong alteration at a vertical depth of approximately 600 metres, characterized by strong biotite alteration, pervasive silicification, significant sulphide content, and anomalous gold mineralization. Deeper drilling by previous operators anchors the south end of the McVeigh, including hole 16-9500-SW-1-A which returned 24.3 g/t gold over 1.5 metres, occurring 1.4 kilometres south of the Madsen shaft and at a vertical depth of 750 metres<sup>1</sup>. These holes, together with recent drilling at Starratt, and the near surface southern extension of McVeigh mineralization highlight the expansion potential of the five kilometre Starratt-Madsen corridor. Drilling at Russet South, located 1.5 kilometres west of the McVeigh horizon and associated mine infrastructure, also continues to build continuity of the near surface mineral system which remains open in all directions.

## Drill Results Summary

New assay results from select drill holes are outlined below:

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Zone
PG16-242	498.0	499.0	1.0	4.0	McVeigh
PG16-251	88.4	89.4	1.0	19.3	Russet
PG16-253	462.4	463.4	1.0	9.9	McVeigh
	469.6	470.6	1.0	4.6	
PG16-254	261.0	263.0	2.0	11.9	McVeigh
PG16-257	17.6	18.1	0.5	17.2	Russet
PG16-259	106.4	108.0	1.6	14.4	Russet
PG16-260	148.0	152.0	4.0	6.3	Austin
PG16-261	280.7	282.6	1.9	3.7	McVeigh
PG16-262	166.5	206.1	39.6	1.4	Austin
<i>incl.</i>	177.3	179.3	2.0	6.3	
PG16-278	97.0	101.4	4.3	13.5	McVeigh
<i>incl.</i>	99.0	100.0	1.0	55.2	
PG16-279	53.0	55.7	2.7	26.2	Austin
	150.7	162.0	11.0	2.4	McVeigh

*\*Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 68% to 100% of true widths.*

In 2016, Pure Gold completed approximately 78,800 metres of drilling from a total of 237 drill holes. With the 2016 drilling program now complete, drilling will resume in early January 2017 with four rigs. Results from approximately 7,250 metres of drilling from 15 drill holes are pending.

For overview and detailed long sections highlighting the McVeigh horizon results, click link below:  
<http://puregoldmining.ca/sites/default/files/McVeigh-LongSection-12-20-2016.pdf>

For a complete list of 2016 drill results to date, click link below:  
<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-December-18.pdf>

## 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 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 gold (in 3.24 million tonnes) and an Inferred Resource of 297,000 ounces gold at 11.74 g/t gold (in 0.79 million tonnes)<sup>(1)</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 the geology and continuity of mineralization.

In addition to the current mineral resource, the Madsen Gold Project hosts a number of prospective new discoveries including the Fork Zone and Russet South targets, as well as, two significant historic underground mines. Pure Gold believes the opportunity exists to advance these targets through the application of modern exploration science and a new understanding of the district.

(1) See the National Instrument 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment For the Madsen Gold Project," prepared by Nordmin Engineering Ltd., dated effective April 20, 2016. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

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

Drill core samples are submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation by crushing to 70% less than 2mm, a 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 30g 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 also analyzed by a 1kg screen fire assay with screening to 100 microns. A duplicate 30g fire assay is conducted on the screen undersize with assaying of the entire oversize fraction (code Au-SCR21). Control samples (certified standards and uncertified blanks), along with field, prep and pulp duplicates, are inserted on a regular 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 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**

*"Darin Labrenz"*

**Darin Labrenz, President & CEO**

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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", "upside", "target", "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 17, 2016 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.