

NEWS RELEASE 17-05

February 28, 2017

## **PURE GOLD INTERSECTS 69.0 G/T GOLD OVER 1.2 METRES AND 30.0 G/T GOLD OVER 1.0 METRE AT THE MCVEIGH, MADSEN GOLD PROJECT**

### ***Aggressive resource expansion drilling continues to substantially grow high-grade gold zones***

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce drill results from the ongoing 70,000 metre drill program at the Company’s 100% owned Madsen Gold Project (“Madsen”). Results reported herein are from the four drill rig exploration program, designed to expand the high grade gold resource near the existing permitted infrastructure and to demonstrate the expansive potential along the five kilometre strike length of the Madsen gold-mineralized system.

Highlights from new drilling include:

- **30.0 g/t gold over 1.5 metres** in hole PG16-306 (McVeigh)
- **69.0 g/t gold over 1.2 metres** in hole PG16-318 (McVeigh)
- **58.8 g/t gold over 2.0 metres** in hole PG17-304 (A3)
  - Including **113.3 g/t gold over 1.0 metre**

“Our primary goal in 2017 is to aggressively expand the mineral resource to allow us to maximize the value of the existing infrastructure and permits,” said Darin Labrenz, President and CEO of Pure Gold. “Results released today support this goal with McVeigh drill holes intersecting high grade gold mineralization well below past mine workings and significantly beyond the limits of the existing resource. Importantly, drilling results from the McVeigh support our geologic models and highlight the internal continuity of the gold mineralization. The McVeigh mineralization remains open in all directions and we continue to systematically step down and along strike to establish the size of this large gold-bearing mineral system.”

### **Drilling on the McVeigh Expands the Mineralized Shoots and Builds Continuity**

These new drill holes have identified new gold mineralization well below any shallow historical workings and importantly outside of the bounds of the current mineral resource. Drill hole PG17-318 is the deepest high grade intercept drilled by Pure Gold to date in the McVeigh West area. This result highlights a new gold mineralized shoot at a depth of 350 vertical metres. Given the low density of previous drill testing in this part of the deposit, we expect that additional drilling here could expand the mineral resource. Approximately 200 metres along strike to the south, drill hole PG17-306 intersected the McVeigh at a vertical depth of 225 metres, at the south end of, and significantly below, historic mine workings. We expect this intercept to also expand the high grade resource domains, as it is centered 200 metres down plunge of, and laterally between, drill intercepts PG16-152 which returned **32.5 g/t gold over 2.0 metres** and PG16-185 which returned **9.5 g/t gold over 4.9 metres<sup>2</sup>**.

### **Drilling on the Austin A3 Target Confirms Continuity**

The potential of the A3 Target was initially established by drill hole PG16-229 which returned **25.4 g/t gold over 8.0 metres** at a vertical depth of 400 metres<sup>3</sup>. Importantly, today’s results establish the high grade continuity of the A3 with drill hole PG17-304 returning **58.8 g/t gold over 2.0 metres** approximately 40 metres south of hole PG16-229. The A3 target was established by Pure Gold in 2016 by applying a new geologic model, and does not yet form a part of the existing mineral resource. Drill holes PG16-231 and PG16-282,

define approximately 450 metres of plunge extent and establish the scale of the A3 Target supporting the expectation of significant resource potential in this part of the Madsen mineral system (see A3 Long Section).

### McVeigh Ramp Services Installation in Progress

The McVeigh Ramp provides ramp access to the top 150 vertical metres of mine workings, declining in the footwall of the McVeigh horizon for 1,080 linear metres from surface to just above three level. On completion of services installation the portal and ramp will provide immediate access to the footwall of the McVeigh and Austin horizons allowing for cost effective underground drilling which is expected to provide sufficient drill density to better define future mining shapes, as well as allow exploration drilling to continue to expand the resource.

Pure Gold has removed the rock covering from the portal opening and has completed a geotechnical inspection of the decline determining ground conditions to be excellent. The ramp was found to be substantially dry with drainage routing towards the shaft and away from the bottom of the ramp. Work is nearing the final stages in the construction of a powerline from the mill to the portal area, and mine air heating and ventilation systems have been received at site. Surface infrastructure installation to support the underground work program continues. Currently it is anticipated that underground diamond drilling will commence in the second quarter of 2017.

### 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
PG17-301	354.3	354.8	0.5	7.8	McVeigh
PG17-304	465.5	467.5	2.0	58.8	A3
<i>incl.</i>	<i>465.5</i>	<i>466.5</i>	<i>1.0</i>	<i>113.3</i>	
PG17-305	136.0	141.4	5.4	4.9	McVeigh
<i>incl.</i>	<i>136.0</i>	<i>138.5</i>	<i>2.5</i>	<i>7.5</i>	
PG17-306	296.5	298.0	1.5	30.0	McVeigh
	363.5	365.1	1.6	4.7	McVeigh
PG17-311	411.7	416.4	4.7	2.9	McVeigh
PG17-318	415.2	416.4	1.2	69.0	McVeigh

*\*Assay composites were calculated using uncut assays and true widths are interpreted to vary from 50-100% (80%, on average) of reported core lengths above.*

To date, gold mineralization in the McVeigh horizon has been intersected by Pure Gold over a 1,100 metre strike length, to a depth of 370 metres below surface, and remains open for resource expansion. Furthermore, drilling by previous operators has demonstrated the depth potential of the McVeigh mineralization to a vertical depth of one kilometer. Current drilling indicates that high grade shoots intersected at the McVeigh have similar geometry and style to the Austin mineralization which occurs in the hanging wall, and from which over two million ounces was historically mined.

For an overview long section showing the McVeigh horizon, click link below:

<http://puregoldmining.ca/sites/default/files/McVeigh-Long-Section-02282017.pdf>

For a detailed long section showing the recent McVeigh West drill results, click link below:  
<http://puregoldmining.ca/sites/default/files/McVeigh-West-LS-02282017.pdf>

For a detailed long section showing the recent A3 drill results, click link below:  
<http://puregoldmining.ca/sites/default/files/Austin-A3-Long-Section-02282017.pdf>

For a complete list of 2016 drill results to date, click link below:  
<http://puregoldmining.ca/sites/default/files/2017-DH-Intercepts-Table-February-28.pdf>

Pure Gold's 2017 exploration program is on-going with four drill rigs currently testing resource growth potential near the mine infrastructure and along the more than five kilometre strike length of the Madsen mineral system. The program is expected to include 70,000 metres of core drilling, and will include underground drilling, projected to commence in Q2 2017. Further results will be released as available.

#### **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 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.

(2) See Pure Gold news releases dated September 6, 2016, and September 27, 2016.

(3) See Pure Gold news release dated October 31, 2016

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

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 GE-FAA313). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GO-FAG303). Mineralized zones with visible gold are also analyzed by a 1kg screen fire assay with screening to 106 microns (code GO-FAS51K). Two 30g fire assays are conducted on the screen undersize and combined with an assay of the entire oversize fraction. Control samples (accredited standards 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 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"

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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 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.*