

NEWS RELEASE 18-17

July 10, 2018

**PURE GOLD COMMENCES TEST MINING AT MADSEN GOLD PROJECT**  
***Muck samples from first seven rounds of blasted material average 18.8 g/t gold***

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce that it has extended the Madsen decline by 87 metres and commenced test mining within the first of two planned stopes from the McVeigh zone. Mining through 13 metres of new linear development along the mineralized structure has returned muck samples averaging 18.8 g/t gold and chip samples averaging 15.3 g/t gold. Results thus far have exceeded expectations in terms of grades and widths and have highlighted the clear visual nature of the mineralization.

The test mining is scheduled to complete in September 2018 with the planned extraction of approximately 7,200 tonnes of mineralized material. The results from the test mining will be used to demonstrate lateral and vertical continuity of mineralization, as a validation of the resource model, and to provide geotechnical data in support of the ongoing definitive feasibility study (“DFS”). To date mineralization is strongly visual, characterized by silicification, diopside veining, brown biotite, and pale pink to brown potassium feldspar alteration, and the presence of visible gold. Mineralization mined thus far supports the geometry of the geological model, exceeds the estimated resource with respect to gold grades, and exhibits excellent geotechnical conditions.

**Table 1: Test Mining Results From Stope 1:**

	<b>Width (m)*</b>	<b>Estimated tonnes</b>	<b>Muck Sample Gold Grade (g/t)**</b>	<b>Chip Sample Gold Grade (g/t)**</b>
Composite Results	<b>4.4</b>	<b>450</b>	<b>18.8</b>	<b>15.3</b>

\*True width

\*\*Individual samples cut to 100 g/t Au

Ken Donner, Vice President, Operations, commented, “Our test mining and bulk sample program are key components of the Madsen Gold Project Definitive Feasibility Study. Ramp development was rapidly completed in excellent ground conditions, allowing lateral development to commence in late June. Thus far, the underground geological team has demonstrated the ability to identify and follow the mineralized structure, and development has returned wide zones of high grade mineralization through the first stoping unit. Grade control results to date have exceeded the resource model in this area. Near surface, ramp-accessible high grade gold will form an important component of the mine schedule during a period when capital payback is important.”

The bulk sample program is designed to partially test two proposed stopes from the McVeigh zone, with an expected overall grade of approximately 8.1 g/t gold estimated from within the two stopes. Within the area tested by mining thus far, the resource model estimated an average grade of 14.3 g/t gold, with an average width of approximately four metres. To date, the Company has completed 87 metres of ramp development to access the bulk sample location at a vertical depth of approximately 160 metres and 20 metres of lateral development including 13 metres of development along the mineralized structure.

The Company has developed an extensive sampling program to characterize the mineralized material during this test phase. Muck samples are selected in a regular pattern, with five individual muck samples taken from every second scoop bucket, resulting in one muck sample for every two tonnes of mining. Chip samples are collected by utilizing a pneumatic chipper with two sampling lines completed across each development face. In addition, the Company is collecting test hole data from each wall approximately 1 meter back from each face, as well as testing walls with a bazooka core drill.

For a set of figures showing a plan of recent development and the location of test mining, as well as photos from stope development, click link below:

<http://puregoldmining.ca/sites/default/files/Test-Mining-Figure-10072018.pdf>

In addition to bazooka drilling from underground, the Company continues to drill from surface as part of an expanded exploration program. Currently two drill rigs are targeting the Wedge area, with a goal of expanding the mineralized zones and declaring maiden resources for the area in Q4 2018.

## **ABOUT MADSEN**

The Madsen Gold Project has historic production of 2.5 million ounces of gold and 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 existing 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 the fourth quarter of 2018 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 bazooka 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-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**

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.

## 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", "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 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.*