

NEWS RELEASE 18-22

September 25, 2018

**PURE GOLD TEST MINING DELIVERS AVERAGE GRADE OF 9.2 g/t GOLD OVER REALIZED MINING WIDTH OF 3.8 METRES**

***Underground drilling reveals new parallel zones of high grade gold including 101.6 g/t gold over 1.5 metres***

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to provide an update on ongoing underground test mining, where results continue to exceed expectations with an average grade of 9.2 g/t gold returned from 1,084 muck samples collected to date. The average grade of 9.2 g/t gold is a diluted mined grade, which comprises all muck samples from 46 rounds of freshly blasted rock, each of which averaged above a cut-off of 4.0 g/t gold.

The Company has completed 100 metres of lateral development in the two stopes targeted for bulk sampling, representing approximately 3,100 tonnes of material above a 4.0 g/t gold cut-off. The average realized mining width of stope material has been 3.8 metres with excellent geotechnical rock conditions. Importantly, underground development continues to support Pure Gold’s geologic model, match or exceed predicted grades and widths, and highlight the strong visual nature of mineralization.

As mining advances through each blasted round the drift walls are tested with a core drill, and this has been highly effective in identifying parallel gold structures that lie outside of the resource but in close proximity to new development. These parallel zones provide an exciting opportunity to mine additional gold-bearing rock at a lower cost in areas where pre-development is substantially completed.

Underground drilling highlights include:

- **31.3 g/t gold over 2.8 metres** from drill hole PGB-001;
- **57.4 g/t gold over 1.3 metres** from drill hole PGB-007;
- **11.9 g/t gold over 8.1 metres**, including **67.7 g/t gold over 1.0 metre** from drill hole PGB-0062;
- **101.6 g/t gold over 1.5 metres** from drill hole PGB-0120;
- **46.8 g/t gold over 2.0 metres**, including **80.3 g/t gold over 1.0 metre** from drill hole PGB-0122.

Darin Labrenz, President and CEO of Pure Gold commented, “Over the last 18 months we have aggressively advanced Madsen along the development path. Concurrently, we have turned exploration success into an expanded mineral resource and demonstrated clear project growth and scalability through our new geologic framework for the Madsen mineral system. We have installed new services to the underground, deepened the Madsen Ramp to provide access to early stage stopes, and are wrapping up a definitive feasibility study. Today we are mining high grade gold mineralization as a bulk sample and drilling continues to identify new opportunities for growth. We look forward to the fourth quarter as we complete several important milestones with the goal of building a modern, scalable mining operation at Madsen.”

**Madsen Bulk Sample Update**

In late May, the Company initiated a bulk sample program designed to partially test two proposed stopes from the McVeigh zone, with an estimated resource grade of 8.1 g/t gold. Initial ramp development was completed in

June and the Company has been mining high grade gold over the past twelve weeks with approximately 100 metres of new mine development completed near the base of the two proposed stopes at a depth of approximately 160 metres below surface.

Importantly, mineralized zones are obvious, with the distinctive veining, intense alteration and visible gold characteristic of orebodies throughout the Red Lake District. Geotechnical conditions have been excellent and actual stope grades have reconciled positively with the resource model. Muck samples are collected in a regular pattern with five individual muck samples taken from every second scoop bucket, resulting in one muck sample for every three tonnes of mining. Each blast typically has an average of about 25 muck samples collected, and all the samples from each round are averaged to determine if a particular round exceeds the 4.0 g/t gold cut-off. The average mining width over these 46 mining faces is 3.8 metres, and locally, the mineralized structure exceeds twelve metres in true width.

As part of an extensive sampling program to characterize the mineralization during test mining and in addition to the muck samples, chip samples are collected across two sampling lines from each mining face, and test sludge holes are drilled into the walls approximately one metre back from the face. In addition, the Company is testing the walls on a minimum of 3 metres spacing with a core drill to identify potential for additional mineralization. The core drill holes are being drilled with a Bazooka air drill with horizontal holes typically 10 to 20 metres in length, which return EW size (25.4mm or 1 inch) core samples which are logged and photographed prior to whole core sampling. Thus far, the underground drill program has been highly successful, identifying additional mineralized structures outside of, but in close proximity to new mine development. Several of these structures demonstrate continuity of higher grade mineralization and have been incorporated into the test mining plan. A summary of drill results, outlined in the table reported below, demonstrates the high grade nature of these parallel gold structures.

The Company anticipates completing its bulk sample and test mining by early November.

### 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)	Zone
PGB-0001	2.5	5.3	2.8	31.3	McVeigh
PGB-0006	4.8	10.0	5.2	4.8	McVeigh
<i>Incl.</i>	<i>4.8</i>	<i>5.9</i>	<i>1.1</i>	<i>13.9</i>	
<i>Incl.</i>	<i>5.3</i>	<i>5.9</i>	<i>0.6</i>	<i>24.0</i>	
PGB-0007	0.8	2.0	1.3	57.4	McVeigh
PGB-0009	2.5	3.6	1.1	18.0	McVeigh
<i>Incl.</i>	<i>3.0</i>	<i>3.6</i>	<i>0.6</i>	<i>31.7</i>	
PGB-0010	2.0	6.1	4.1	7.1	McVeigh
<i>Incl.</i>	<i>2.0</i>	<i>4.0</i>	<i>2.0</i>	<i>11.2</i>	
PGB-0013	0.6	3.1	2.6	7.3	McVeigh

<i>Incl.</i>	2.7	3.1	0.5	27.1	
PGB-0017	8.7	9.8	1.2	8.0	McVeigh
PGB-0019	10.1	18.1	8.0	7.0	McVeigh
<i>Incl.</i>	13.2	15.2	2.0	24.8	
PGB-0036	0.0	0.8	0.8	10.7	McVeigh
	6.3	8.3	2.0	13.3	
PGB-0039	24.2	26.2	2.0	14.4	McVeigh
PGB-0058	3.0	9.0	6.0	4.8	McVeigh
<i>Incl.</i>	5.2	7.3	2.1	9.9	
PGB-0060	5.0	7.0	2.0	8.3	McVeigh
PGB-0062	1.0	9.1	8.1	11.9	McVeigh
<i>Incl.</i>	3.8	9.1	5.3	17.6	
<i>Incl.</i>	8.1	9.1	1.0	67.7	
PGB-0063	5.0	10.1	5.1	7.4	McVeigh
<i>Incl.</i>	7.7	9.3	1.6	18.9	
PGB-0064	3.3	9.3	6.0	9.4	McVeigh
<i>Incl.</i>	6.0	9.3	3.3	16.1	
<i>Incl.</i>	7.0	9.3	2.3	21.2	
PGB-0066	2.4	8.8	6.4	17.8	McVeigh
<i>Incl.</i>	5.8	8.8	3.0	31.4	
PGB-0068	5.9	7.9	2.0	9.7	McVeigh
PGB-0077	0.0	1.0	1.0	9.3	McVeigh
PGB-0092	5.3	8.5	3.2	7.2	McVeigh
PGB-0095	2.0	3.0	1.0	10.1	McVeigh
PGB-0109	0.0	7.5	7.5	8.0	McVeigh
<i>Incl.</i>	4.5	6.5	2.0	23.6	
PGB-0116	6.0	8.5	2.5	17.9	McVeigh
<i>Incl.</i>	6.0	8.0	2.0	21.8	
PGB-0118	4.7	8.0	3.3	8.7	McVeigh
<i>Incl.</i>	6.0	8.0	2.0	13.4	
PGB-0119	2.0	4.0	2.0	7.2	McVeigh
PGB-0120	14.3	15.8	1.5	101.6	McVeigh
PGB-0121	3.6	4.2	0.6	37.5	McVeigh



PGB-0122	0.0	2.0	2.0	46.8	McVeigh
<i>Incl.</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>80.3</i>	
PGB-0124	8.0	10.0	2.0	10.1	McVeigh
PGB-0129	6.0	8.0	2.0	17.1	McVeigh

*\*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.*

In addition to ongoing drilling underground, the Company continues to drill from surface, with approximately 10,000 metres of drilling planned for the balance of the calendar year using two drill rigs. Results from this drilling will be reported as available. Additionally, results from all drilling in 2018 completed prior to September 1 from Wedge, Russet South, Fork and Madsen will be incorporated into an updated resource estimate, on track for Q4 2018. Preliminary engineering studies are also in progress to evaluate the Russet South, Fork, Wedge satellite deposits and their ability to influence scalability of the Madsen operation.

For a set of figures showing recent development activities and the location of test mining, click link below:  
<http://puregoldmining.ca/sites/default/files/Test-Mining-Figure-25092018.pdf>

For a complete list of 2018 drill results to date, click link below:  
<http://puregoldmining.ca/sites/default/files/2018-DH-Intercepts-Table-September-25.pdf>

## **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 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 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.*

