

NEWS RELEASE 20-08

May 20, 2020

## **\$15M INVESTMENT BACKED BY ERIC SPROTT TO ACCELERATE RESOURCE GROWTH AT PUREGOLD RED LAKE MINE**

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VANCOUVER, B.C. – May 20, 2020 - Pure Gold Mining Inc. (TSXV:PGM, LSE:PUR) ("**PureGold**" or the "**Company**") is pleased to announce that it has agreed to issue, on a non-brokered private placement basis, 9,868,421 charity flow through common shares of the Company (the "FT Shares") at a price of \$1.52 per FT Share (the "**Financing**"), for gross proceeds to PureGold of \$15,000,000. Mr. Eric Sprott has agreed to be the back-end buyer of all of the FT Shares.

"PureGold has all the attributes I look for in a Company - location, grade, size and growth," said Eric Sprott. "PureGold's mine in Red Lake has over 7km of strike with known high grade shoots that have only been defined down to 1,200 metres compared to 2,500 metres in the neighbouring Red Lake mine complex. The ultra-high grade hits in the 8 zone remind me a lot of the HG Zone that built Goldcorp, as well as SMC at Macassa and the Swan Zone at Fosterville. These are the types of discoveries that have the potential to be company makers and tend to lead to a much higher production profile than originally given credit."

"Mr. Sprott is a cornerstone investor of PureGold and continues to be a strong supporter of our vision to becoming a high margin, long-life gold producer uniquely positioned in the Red Lake camp," said Darin Labrenz, President & CEO of PureGold. "We are fully funded and on-track to pour our first gold in Q4 2020 into a record high gold price environment for Canadian producers. This new investment in exploration enables us to concurrently ramp up our focus on aggressive resource growth without impacting our capital budget for final mine completion and first gold pour. We believe this combination of near-term cash flow through production and organic resource growth will create significant value for our shareholders in the near term."

The gross proceeds from the issuance of the FT Shares will be used for "Canadian exploration expenses" and will qualify as "flow-through mining expenditures" (the "Qualifying Expenditures"), as those terms are defined in the *Income Tax Act (Canada)*, which will be renounced to the initial purchasers of the FT Shares with an effective date no later than December 31, 2020 in an aggregate amount not less than the gross proceeds raised from the issue of the FT Shares, and, if the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each initial purchaser of FT Shares for any additional taxes payable by such subscriber as a result of the Company's failure to renounce the Qualifying Expenditures as agreed

It is expected that the closing of the Financing will occur on or about June 17, 2020 (the "Closing Date") and is subject to the satisfaction of certain conditions, including receipt of all applicable regulatory approvals including the approval of the TSX Venture Exchange. The FT shares to be issued under the Financing will have a hold period of four months and one day from the applicable Closing Date in accordance with applicable securities laws.

In consideration for their services, a finders' fee equal to 6.0% of the gross proceeds of the Financing is payable to a group of financial advisors led by Clarus Securities Inc.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the FT shares in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the FT shares in the United States of America. The FT shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

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

The PureGold Red Lake Mine is Canada's next gold mine. Fully funded, the project is on track to deliver near term gold production into a rising Canadian gold price environment, with first production scheduled for late 2020. The orebody is situated within a seven-kilometre-long gold system that is wide open for expansion at depth and along strike, and multiple discoveries by the Company suggest potential opportunities for near-term growth.

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**

### **Investor inquiries:**

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*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 PureGold within the meaning of applicable securities laws, including, but not limited to statements with respect to the expected use of proceeds of the Financing, the anticipated closing date of the Financing, the production potential at the Red Lake Mine, the results of the Company's growth program and the timing of the first gold pour at Red Lake. 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, the closing of the Financing, the satisfaction of the conditions to closing the Financing, 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 PureGold 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, the closing date of the Financing and the anticipated use of proceeds of the and the qualification of the use of proceeds as Canadian Exploration Expenditures, risks relating to the ability of the Company to obtain required regulatory approvals, complete definitive documentation, fulfill all conditions precedent and complete the Financing on the terms announced; 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 March 26, 2020 in the section entitled "Risk Factors", under PureGold's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although PureGold 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. PureGold 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.*