

Pure Gold Mining

“The Missing Link”

PUR LN / PGM CN

9 October 2019

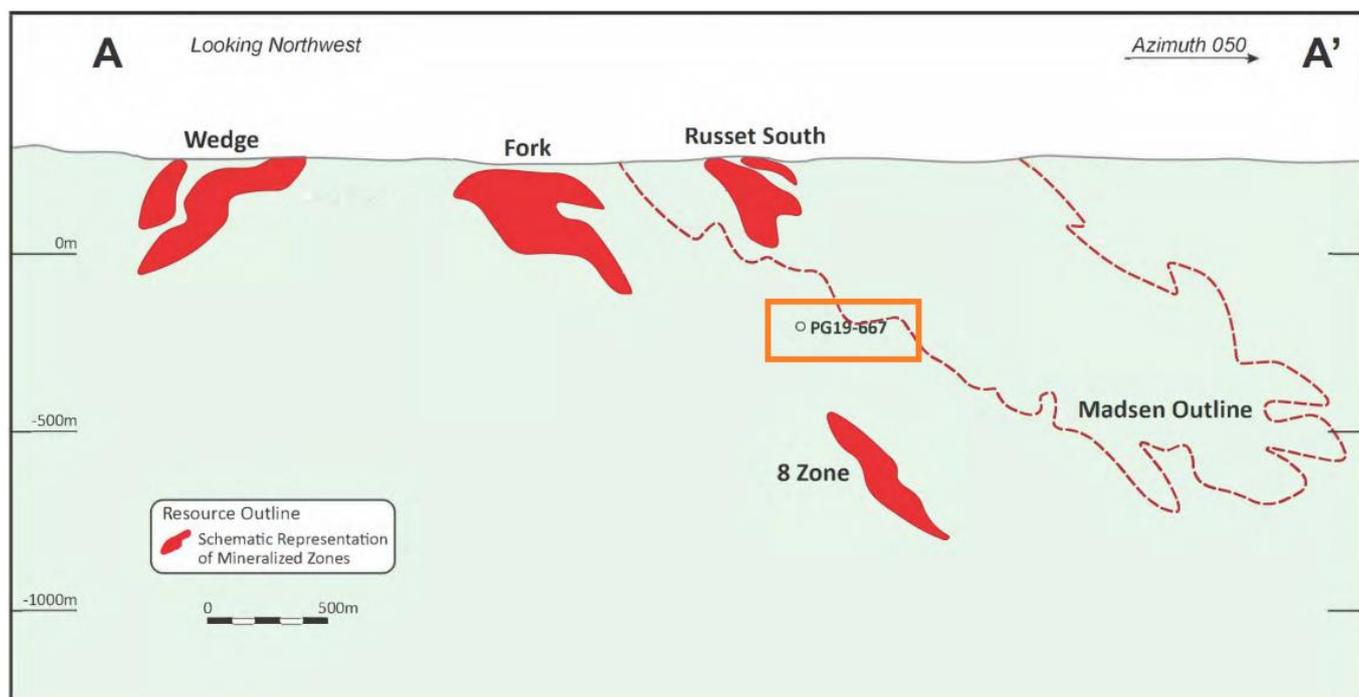
Market Capitalisation: US\$160m
Enterprise Value* : US\$104m

Last price: 39p
Target Price: 54p

Pure Gold (LSE/TSX: PUR/PGM) announced this morning that it has intersected mineralisation between the near surface Russet South satellite deposit and the high grade 8 Zone deposit. The 8 Zone is the highest grade zone in the current Madsen mine plan with an indicated resource of 458kt grading 20.5g/t. In an area previously unexplored – see fig 1 and 2 below, drilling identified a 10 metre wide zone with grades of 2.2g/t, including 4.9g/t over 2.1 metres. The intercept contained blue-grey quartz veining that is analogous of 8 Zone mineralisation. As a result, Pure Gold has expanded the 2019 drill program to 20,000 metres, including two surface rigs and an underground rig from November.

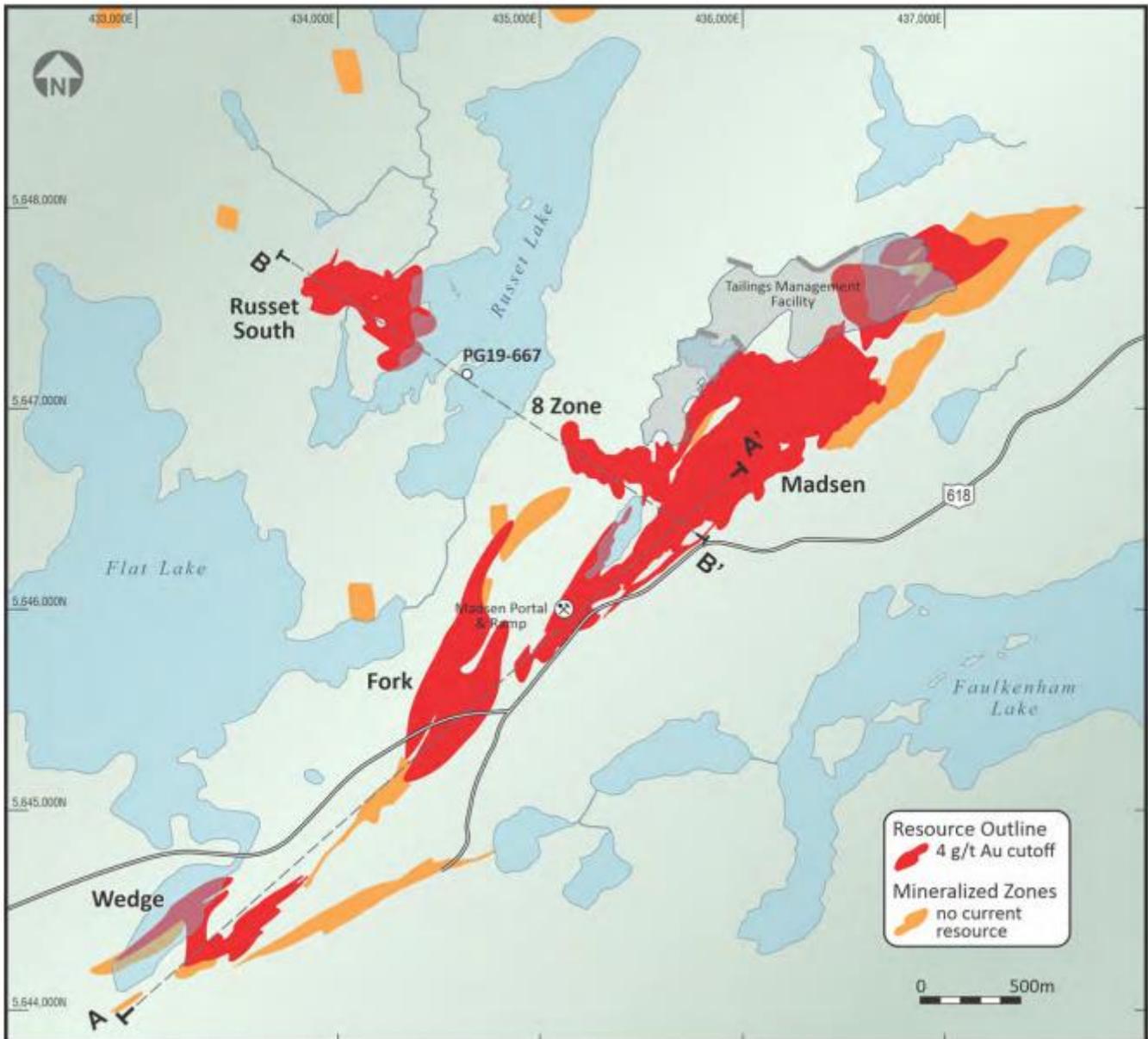
As management state “This latest drilling represents a sea change in exploration prospectivity, establishing the tremendous potential of a brand new mineralized corridor that is anchored by the high grade 8 Zone at depth and the outcropping Fork and Russet South zones at surface”. This discovery reaffirms our belief that Pure Gold has the geotechnical expertise and consolidated land holding to continue to unlock more value from the Red Lake gold camp and gives us more confidence in our 54 price target, representing 1x NAV(7%) of the base case fully funded Madsen mine.

Figure 1 – Madsen Resource Long Section – new intersection highlighted



Source: Pure Gold, Tamesis

Figure 2 – Madsen Resource Plan Map



Source: Pure Gold, Tamesis

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