

Pure Gold Mining

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Pure Gold Mining notes key highlights as it reports on pivotal first quarter

Pure Gold Mining Inc (CVE:PGM) (OTCMKTS:LRTNF) (LSE:PUR) has unveiled its first-quarter financial results, highlighting a number of key milestones reached by the firm.

During the first quarter, the company worked to significantly de-risk its 100%-owned Madsen gold mine, which culminated in the release of a new mineral resource estimate, a feasibility study for the Madsen deposit and a preliminary economic assessment for its Fork, Russet South and Wedge Deposits.

READ: Pure Gold Mining starts new chapter trading on London Stock Exchange

The firm continues to push forward its 100%-owned Madsen gold mine, located in the historic Red Lake district of Ontario and reported it spent C\$1.6 million on exploration in the quarter ending March 31, 2019.

The firm narrowed its net loss to C\$2.8 million, or C\$0.01 per share, in the quarter ending March 31, 2019 from C\$7.2 million, or C\$0.03 per share in the same period a year ago.

A feasibility study for Madsen has shown a robust 800 tonne per day, 12-year underground mining operation with an initial capital cost of C\$95 million and strong financials with a pre-tax net present value of C\$353 million and a pre-tax internal rate of return of 43%, using a gold price of US\$1,275 per ounce.

Several discoveries on the project, including the Fork, Russet South and Wedge deposits, could potentially further enhance its economics.

A preliminary economic assessment (PEA) has shown these deposits could add C\$79 million on a pre-tax net present value and 57% internal rate of return.

More than 29 million ounces of high-grade gold have been mined from the Red Lake mining district of northwestern Ontario, making it one of the largest gold-producing districts in Canada.

Outlook

Looking forward, the firm continues to push the Madsen project towards development. It is continuing to work with Indigenous groups to "promote a cooperative and mutually respectful relationship concerning Pure Gold's development plan, and to finalize an agreement to govern this relationship," noted the company.

The firm is also advancing project finance initiatives, optimizing the project schedule, including engineering, procurement and permitting, continuing environmental studies and documentation to support the update and filing of existing permits and filing for additional permits that may be required, while also commencing detailed engineering and design activities.

Price: 0.63

Market Cap: \$225.83 m

1 Year Share Price Graph



Share Information

Code: PGM

Listing: TSX-V

52 week	High	Low
	0.81	0.49

Sector: Gold & silver

Website: puregoldmining.ca

Company Synopsis:

There is a global scarcity of near-term, high grade, quality gold projects in mining friendly jurisdictions. Madsen is one of a select few. We aim to build a long life mine with highly attractive economics. We have a strong foundation. Madsen is extremely well placed with existing infrastructure including a mill, tailings facility and underground development. The Madsen Gold Project is scalable.

action@proactiveinvestors.com

"Madsen has outstanding potential for growth and opportunities for scalability," said the company in a release, noting there are key opportunities to enhance the project over the project life, including potentially expanding the Madsen resource, through targeting extensions to the known resource, potential depth extensions of the Madsen deposit, as well as continuing the firm's exploration at Fork, Russet South and Wedge.

Shares of Pure Gold on Wednesday in Toronto stood at \$0.53. In London, they are at 33.5p.

Contact Katie Lewis at katie@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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