

# Pure Gold Mining Inc. to be Acquired by West Red Lake Gold Mines Ltd.

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VANCOUVER, April 17, 2023 - [Pure Gold Mining Inc.](#) (NEX:PGM.H) (the "Company") announces that it has entered into a binding letter agreement with [West Red Lake Gold Mines Ltd.](#) ("West Red Lake" or "WRLG") (TSXV: WRLG, OTC: WRLGF) and Sprott Resource Lending Corp. ("Sprott"), whereby WRLG will, subject to certain conditions precedent, acquire all of the issued and outstanding shares of the Company (the "Acquisition"), subject to approval of the British Columbia Supreme Court (the "Court") in the Company's ongoing proceedings pursuant to the *Companies Creditors Arrangement Act* (the "CCAA Proceedings").

WRLG has agreed to pay C\$6.5 million in cash, issue 28.46 million common shares and grant a 1.0% secured Net Smelter Royalty ("NSR") on the Madsen Gold Project as consideration for the Acquisition, as well as make up to US\$10.0 million in deferred consideration payments. The share and NSR consideration is expected to accrue to Sprott as a fund managed by Sprott is the senior secured lender to the Company. In addition, US\$10.0 million in deferred consideration is payable upon a change of control of WRLG with WRLG having the right to pay down any part of the deferred consideration prior to any change of control. In conjunction with the Acquisition, WRLG has entered into an engagement letter with Canaccord Genuity in respect of a "bought-deal" private placement of subscription receipts for gross proceeds of C\$20,000,050 and an underwriter's option of C\$5,000,100.

Closing of the Acquisition will be subject to several conditions precedent, including the negotiation and execution of a definitive agreement for the Acquisition by no later than May 1, 2023, Court approval of the Transaction, including the grant of a reverse vesting order from the Court, WRLG shareholder approval, and all requisite regulatory approvals, including the approval of the TSX Venture Exchange.

## About Pure Gold Mining Inc.

The Company is a Canadian gold mining company with a mine (the "Mine") located in Red Lake, Ontario, Canada. The Company owns and operates the Company's Mine, which began gold production in 2021 after the successful construction of an 800 tpd underground mine and processing facility. The Company's Mine is centered on a forty-seven square kilometre property with significant discovery potential.

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 COMPANY

*"Jonathan Singh"*  
Jonathan Singh, Chief Administrative Officer

*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 the Company within the meaning of applicable securities laws, including, but not limited to statements relating to the expected terms, timing and completion of the Acquisition, the negotiation and execution of a definitive agreement, the receipt of the reverse vesting order from the Court, and the receipt of all necessary approvals including WRLG shareholder and TSXV approval. 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 the Company 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 CCAA proceedings and the impact of the same on the Company's operations; completing the Acquisition and the timing thereof; 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 and development activities generally; delays in permitting; possible claims against the Company; the timing of future economic studies; 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 30, 2022 in the section entitled "Risk Factors", under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com)*

*Although the Company 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. The Company 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.*

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