

Pure Gold Mining Inc. – Feasibility Study, EPCM

Madsen Gold Project, Red Lake, Ontario

JDS Energy & Mining Inc.

OVERVIEW

The Madsen Gold Project is a precious metals resource project located in the Red Lake district of Northwestern Ontario. Based on Probable Reserves, the Project will develop a mining and processing operation with mining from five zones near the Madsen Mine over a 12-year production period by way of an extension of the existing ramp and an overhauled shaft access underground mine, an expanded and refurbished cyanidation gold extraction processing facility capable of processing ore at an average rate of 800 t/d, a cyanide destruction circuit, an upgraded tailings management facility, a water treatment plant and related infrastructure.

SCOPE

JDS was commissioned in 2017 by Pure Gold Mining Inc. to lead the Feasibility Study of the Madsen Project. JDS managed all aspects of the Feasibility Study including the contributing third party consultants to ensure an efficient and fit-for-purpose outcome aligned with permitting requirements.

Economic highlights of the FS include an after-tax NPV5% and IRR of \$247M and 36% respectively and an after-tax payback of 3.4 years.

JDS was subsequently engaged by Pure Gold to provide EPCM services to the project. The construction of the project is approximately 50% complete with first gold scheduled for late 2020.

