

Pure Gold Mining slumps on Financing Requirement

Pure Gold Mining (TSX.V: PGM / AIM: PUR)

The company reported an operations update and guidance for the remainder of 2022, which included the requirement to raise another C\$50 million, which spooked the market and the shareprice slumped as a result.

By announcing the financing in advance, the price has sold off and obviously this has disadvantaged current holders as they will be diluted further as a result of a discounted placing.
[...]

Pure Gold Mining	TSX.V : PGM / AIM: PUR
Stage	Production
Metals	Gold
Market cap	C\$189 m @ C\$0.38
Location	Ontario, Canada



Pure Gold Mining – drilling at the face

Comment

Pure Gold Mining is in our recovery watchlist of companies that have fallen in value, mainly due to poor project execution, but with a good looking project that might recover in value in the hands of either a new management team, or a new plan, or both.

Pure Gold Mining is a perfect example of such a company, with old management now replaced by a more experienced team, who are trying to rectify the mistakes made.

This is clearly proving more difficult than investors thought,

and they have published their guidance for moving forward, which required ANOTHER financing, this time for C\$50 million! (They recently closed a C\$25 million financing).

Sadly they have announced the need for a financing in advance, and the market has punished them by slamming down the share price, thus diluting existing shareholders as the placing price will be lower now.

This looks an extraordinarily poor decision, and will reward new investors climbing on board the train at a much lower ticket price, at the expense of existing investors.

At the lower price, and if management execute their new plan well, and given the project is in a prolific mining belt in Canada, this may turn out to be a potential turnaround and good recovery story for new investors at this lower level in my opinion, but not until after the financing price has been announced.

I for one will be watching for an opportunity here.

PureGold Mine Operations Update and 2022 Corporate Outlook

March 28, 2022

VANCOUVER, B.C. – **Pure Gold Mining Inc. (TSX-V:PGM, LSE:PUR)** (“PureGold” or the “Company”), is pleased to provide an operations update from the Company’s PureGold Mine in Red Lake, Ontario and to provide an updated corporate outlook for 2022.

Revitalized Operational Leadership Team

Significant changes have been made to PureGold’s executive management team to date in 2022, reflecting the Company’s commitment to building a culture of operational excellence.

Since the beginning of 2022, new appointments include President & CEO, COO, CFO, VP Mine General Manager, VP Finance, and VP Technical Services among others.

This revitalized operational leadership team, who collectively bring several decades of underground operating, ramp-up and turnaround experience to PureGold, have been working together now for six weeks and in that time have kicked off several initiatives which are expected to *improve ore production, increase head grades, reduce operating and sustaining capital costs, and increase cash flow* throughout the 2022 calendar year.

Additionally, work in support of an updated Mineral Resource, Mineral Reserve, and Life of Mine plan is underway, and *an updated NI 43-101 Technical Report is expected to be released in late Q3 or early Q4 2022.*

The updated Life of Mine plan will set out the Company’s vision for developing, operating, and potentially expanding the PureGold Mine based on all available data and operating experience to date.

Pure Gold Mining management comments

"The wide-ranging optimization initiatives underway at PureGold designed to improve production, boost grade, and reduce costs all share one thing in common, and that is that they are long-term solutions designed to address the fundamental, underlying issues to ensure sustainable long-term success."

"This asset offers tremendous upside in terms of organic growth and exploration potential, but we need to operate efficiently as a first step in order to unlock that potential."

"In our first six weeks here, the new operational leadership team have made great progress but we have more work to do and look forward to providing further updates on our progress throughout 2022."

Terry Smith, Chief Operating Officer of PureGold Mining

"Throughout my career I have been a part of several underground start-ups and turnarounds and in my experience, success is a product of a strong culture which starts with leadership from the top."

"We are building a new culture at PureGold centered around

open communication, clear goals and strategy, and accountability.

“In the few weeks I’ve been on the job I can already sense we have an incredible group of people who are up to the challenge, and I look forward to showing them and everyone else what we can achieve.”

Bryan Wilson, VP Mine General Manager of PureGold Mining.

[For brevity, this summary has been redacted, to read the full news release, please click HERE](#)

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