

# Pure Gold Mining, Inc.

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## Mandalay Resources and Pure Gold Mining receive hiked target prices as broker Mackie revisits gold and silver sector

Broker Mackie has taken a look again at the gold and silver sector amid the current higher prices for the precious metals.

It has hiked its target prices for many of the companies it covers, including Red Lake, Ontario gold mine developer Pure Gold Mining Inc (CVE:PGM) (LON:PUR) and Mandalay Resources Corporation (TSE:MND) (OTCQB:MNDJF), which has operations in Australia and Sweden.

"The London PM gold fix is up 19% YTD and is now 23% higher, or nearly US\$340/oz, than what we had forecast in our last update published in mid-December. Silver has also comfortably shot past our prior benchmark of US\$18/oz," Mackie analyst Stuart McDougall said in a note.

### READ: Mandalay Resources delivers more strong production and sales in its second quarter

He also highlighted that in the markets the S&P/TSX Global Gold Index was up 40% and the S&P/TSX Venture Metals and Mining index up 45% since the start of the year.

For valuing the companies it covers, the broker said it now based its discounted cash flow models and financial estimates on a gold price of US\$1,800 per ounce, as opposed to US\$1,500 previously and silver at US\$19/oz versus \$18/oz previously.

"We also now apply an in situ value of US\$125/oz to in-mine ounces or those with considerable infrastructure already in place or under development."

Mackie has lifted its price target on Pure Gold Mining to C\$2.10 from C\$1.40 previously but its rating goes to 'hold' from 'speculative buy'. Meanwhile, Mandalay Resources had its 'Buy' rating repeated and the price target was upped to C\$5.20 a share, from C\$2.75 previously.

"Among the developers, we still see particularly strong upside in Battle North (formerly Rubicon Minerals Corp) and Amarillo Gold, particularly in light of the strong uptick in Pure Gold ahead of its scheduled first gold pour in Q4/20," said McDougall.

"Producers Jaguar Mining and Fiore Gold have outperformed on a relative basis, a factor we attribute to management's success at turning operations around and making advancements on exploration and development fronts.

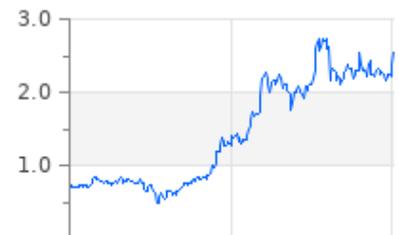
"While Mandalay Resources has fared less well, we are looking for strength in the back-half of the year as scheduled higher-grade ore comes into the mine plan," the analyst added.

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**Price:** 2.55

**Market Cap:** \$1 billion

### 1 Year Share Price Graph



December 2019 June 2020 December 20

### Share Information

**Code:** PGM

**Listing:** TSX-V

52 week	High	Low
	2.79	0.38

**Sector:** Gold & silver

**Website:** [puregoldmining.ca](http://puregoldmining.ca)

### Company Synopsis:

*Pure Gold Mining Inc (LSE:PUR) (CVE:PGM) are building Canada's next gold mine in a phased approach with tremendous upside beyond the base case, a long life mine with highly attractive economics. They have a strong foundation. The PureGold Red Lake mine is scalable.*

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