

## IMPORTANT TAX NOTICE:

### **Special U.S. Federal Income Tax Filing Requirements Related to Your Investment in Pure Gold Mining Inc.**

This statement is provided for Investors who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended (“IRC”) and the regulations thereunder. It is not relevant to other Investors.

Shareholders who are U.S. persons<sup>1</sup> (“U.S. Shareholders”) should be aware that Pure Gold Mining Inc. was a passive foreign investment company (“PFIC”)<sup>2</sup> for its taxable year ended March 31, 2017.

The attached combined **PFIC Annual Information Statement** is being provided to you pursuant to the requirements of Treasury Regulations Section 1.1295-1(g)(1). This PFIC Annual Information Statement contains information to enable you, should you choose, based on the advice of your tax advisors in light of your personal tax circumstances, to elect to treat Pure Gold Mining Inc. as a qualified electing fund (“QEF”).

A U.S. shareholder who makes a QEF election is required to annually include in his or her income his or her pro rata share of the ordinary earnings and net capital gains of Pure Gold Mining Inc., whether or not Pure Gold Mining Inc. distributes any amounts to its shareholders.

If you do not elect to treat Pure Gold Mining Inc. as a QEF, then if Pure Gold Mining Inc. is a PFIC for any year during your holding period, then you would be subject to the PFIC rules, which could result in adverse tax consequences to you. For example, if you were to receive a so-called “excess distribution” or if you sell your Pure Gold Mining Inc. stock in the future at a gain, you could be required to allocate such distribution or gain, as the case may be, ratably over the time period during which you held your stock while Pure Gold Mining Inc. was a PFIC, and pay tax at the highest marginal tax rate (rather than, if otherwise applicable, the long-term capital gain rate) on ordinary income in effect for each taxation year to which the gain is allocated plus interest on the tax.

The QEF election is made by completing and attaching U.S. Internal Revenue Service (“IRS”) Form 8621 (“Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund”) to a U.S. federal income tax return filed on or before the due date of the return, including extensions, for the income tax return with respect to the tax year to which the election relates.

**The information in this letter and the attached PFIC Annual Information Statement does not constitute tax advice and should be confirmed by your own tax advisor. We strongly urge you to consult your own tax advisor for advice concerning the application of the U. S. federal income tax rules governing PFICs and the advisability of making a QEF election or any of the other elections available to a holder of shares of a PFIC.**

Form 8621 can be found on the Internet at [www.irs.gov/pub/irs-pdf/f8621.pdf](http://www.irs.gov/pub/irs-pdf/f8621.pdf) and its instructions at [www.irs.gov/pub/irs-pdf/i8621.pdf](http://www.irs.gov/pub/irs-pdf/i8621.pdf).

<sup>1</sup> A shareholder that is considered to be a “U.S. person” will be subject to the PFIC rules if the foreign corporation is considered to be a PFIC. A U.S. person generally includes a U.S. domestic corporation, a U.S. domestic partnership, a U.S. citizen or resident of the United States and certain estates and trusts.

<sup>2</sup> The definition of a PFIC can be found in IRC §1297(a).

Sincerely,

Pure Gold Mining Inc.

**Pure Gold Mining Inc.**  
**PFIC Annual Information Statement**  
**For the Year ended March 31, 2017**

- 1) This Information Statement applies to the taxable year of Pure Gold Mining Inc. for the year beginning April 1, 2016 and ending on March 31, 2017.
- 2) The Pure Gold Mining Inc. per share amount of ordinary earnings and net capital gains for common shares of Pure Gold Mining Inc. for the period specified in paragraph (1) is as follows:

	<b>Ordinary Earnings (US\$)</b>	<b>Net Capital Gains (US\$)</b>
<b>Pure Gold Mining Inc.</b>	\$0.00000	\$0.00000

To determine your pro-rata share of the amounts above, multiply the amounts by the number of shares you held during the year.

- i. If you owned the same number of shares from April 1, 2016 through March 31, 2017 multiply the number of such shares by the amounts above.
  - ii. If you did not own the same number of shares from April 1, 2016 through March 31, 2017, multiply the number of shares you owned by the amounts above as well as by the number of days the shares were held in the fiscal year and divide the result by 365.
- 3) The per share amount of cash distributions and property distributions for Pure Gold Mining Inc. for the period specified in paragraph (1) is as follows:

	<b>Cash Distributions (US\$)</b>	<b>Property Distributions (US\$)</b>
<b>Pure Gold Mining Inc.</b>	\$0.00000	\$0.00000

To determine your pro-rata share of the amounts above, multiply the amounts by the number of shares held during the year.

- i. If you owned the same number of shares from April 1, 2016 through March 31, 2017 multiply the number of such shares by the amounts above.
  - ii. If you did not own same number of shares from April 1, 2016 through March 31, 2017, multiply the number of shares you owned by the amounts above as well by the number of days the shares were held in the fiscal year and divide the result by 365.
- 4) Pure Gold Mining Inc. will permit you to inspect a copy of its permanent books of account, records, and such other documents as may be maintained that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in IRC section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles.

The undersigned is executing this letter on behalf of Pure Gold Mining Inc. and not in his personal capacity.

Pure Gold Mining Inc.

By: Sean Tetzlaff, CPA, CA  
Title: Chief Financial Officer  
Date: March 5, 2018

THIS INFORMATION CONTAINED HEREIN IS TAKEN FROM THE FINANCIAL STATEMENTS OF PURE GOLD MINING INC. AND IS PROVIDED IN ORDER TO ASSIST INVESTORS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. COPIES OF THE FINANCIAL STATEMENTS ARE AVAILABLE ON THE PURE GOLD MINING INC. INTERNET SITE AT [www.puregoldmining.ca](http://www.puregoldmining.ca). INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF SECURITIES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.