Pure Gold Mining Inc.
(Formerly Laurentian Goldfields Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended March 31, 2014

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(Formerly Laurentian Goldfields Ltd.)
Management's Discussion and Analysis
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This Management's Discussion and Analysis (the "MD&A"), dated as of July 4, 2014, is for the year ended March 31, 2014 and should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2014 of Pure Gold Mining Inc. (also referred to as "Pure Gold", or the "Company", or "we", or "our", or "its" or "us" within this MD&A), the related notes thereto (together, the "Annual Financial Statements") which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and other corporate filings, including our Annual Information Form for the year ended March 31, 2014, dated July 4, 2014 ("AIF"), available under Pure Gold's company profile on SEDAR at www.sedar.com.

This MD&A contains forward looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, including those described under the heading "Risk factors" in our AIF and those set forth in this MD&A under the headings "Cautionary Notes Regarding Forward-Looking Statements" and "Industry and Economic Factors that May Affect our Business" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

The written disclosure of technical information in this MD&A has been approved by Darren O'Brien, P.Geo, Vice President, Exploration of the Company and a Qualified Person ("QP") for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101"). Readers are directed to the section entitled "Scientific and Technical Disclosure" included within this MD&A.

The Company is listed on the TSX Venture Exchange ("TSX-V") in Canada under the symbol PGM. All dollar amounts stated in this MD&A are expressed in Canadian dollars unless noted otherwise.

Highlights for the Year and Significant Subsequent Events

- Financing

  On March 4, 2014, the Company completed a private placement of 74,326,500 units (the "Units") at a price of $0.25 per Unit for aggregate gross proceeds of $18.6 million. Each Unit consisted of one common share and one-half common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share at a price of $0.50, until September 4, 2016.

- New Project – Madsen Gold Project

  Also on March 4, 2014, the Company acquired a 100% interest in the Madsen Gold Project ("Madsen") from Claude Resources Inc. ("Claude") for total cash and share consideration of $12.2 million. Madsen comprises in excess of 4,000 hectares of primarily patented land in the prolific Red Lake gold camp of Northwestern Ontario, and hosts two former gold producers including the Madsen Gold Mine which had previous gold production of 2.4 million ounces. The site contains a permitted 500 tonne per day mill and tailings pond facility.

  The Company filed a National Instrument 43-101 Technical Report entitled "Technical Report for the Madsen Gold Project, Red Lake, Ontario, Canada" with an effective date of February 18, 2014, which can be found under Pure Gold's profile on SEDAR at www.sedar.com. As reaffirmed in the Technical Report, Madsen contains an Indicated mineral resource of 928,000 oz gold in 3.24 million tonnes grading 8.93g/t Au, and an Inferred mineral resource of 297,000 oz gold in 0.79 million tonnes grading 11.74 g/t Au.

- New Team

  Dr. Mark O'Dea, Ph.D P.Geo, Mr. Graeme Currie, Mr. Troy Fierro, Mr. Robert Pease and Mr. Lenard Boggio CPA, FCA were appointed to the Company's Board of Directors.

  Mr. Darren O'Brien P.Geo was appointed Vice President, Exploration, Mr. Sean Tetzlaff CPA, CA was appointed Chief Financial Officer and Mr. Mischa Zajtmann was appointed Corporate Secretary of the Company.

  The addition of these individuals brings a wealth of knowledge to Pure Gold's Board and management team including expertise in geology, finance, accounting, engineering and business development.

- New Project – Newman-Madsen Property

  On June 24, 2014, the Company acquired a 100% interest in the Newman-Madsen Property from Sabina Gold & Silver Corp. ("Sabina"). The Newman-Madsen Property consists of 38 patented mining claims and is adjacent to Madsen in the prolific Red Lake gold camp. Newman-Madsen adds over 1,000 hectares of prospective ground to Madsen.

- Name change

  Effective June 26, 2014, the Company changed its name to Pure Gold Mining Inc.

Outlook

Pure Gold is focused on advancing high quality assets that host the key traits of economic mines: grade, scope, size potential and access to infrastructure in mining-friendly jurisdictions. Our key asset is the Madsen which now comprises in excess of 5,000 hectares in the prolific Red Lake gold camp of Northwestern Ontario, and hosts two former gold producers including the Madsen Gold Mine which had previous gold production of 2.4 million ounces. In addition to the historic production and the National Instrument 43-101 compliant mineral resource, Madsen has strong upside exploration potential. A new understanding of controls on high-grade mineralization in the Red Lake camp has resulted in multiple recent discoveries including the High Grade Zone at Goldcorp's Red Lake Gold Mine, the Bruce Channel deposit downplunge of Cochenour and the F2 deposit at Rubicon's Phoenix Mine. Opportunity exists to apply modern science to the Madsen Mine Trend, where substantive production ceased in 1974. The Company's 8 Zone, discovered in 1969 at the Madsen Mine is a high grade quartz carbonate vein system that lies within the ultramafic contact zone, similar to other recent high grade discoveries in the district and demonstrates the potential of this zone to host significant mineralization. At Madsen, numerous high-grade discoveries have been made in proximity to the ultramafic contact zone over the last decade and many of these high-grade discoveries have only been partially advanced. Additional satellite mineral resources may be defined in the near term with additional geological studies and drilling. Some examples of exploration targets discovered post mine closure include the Fork Zone, Russett South, Treasure Box, and Buffalo.

A near term focus of Pure Gold will be to advance many of these exploration targets with the goal of defining further mineral resources. Pure Gold will also focus its exploration efforts on developing additional targets along the 12 km-long Madsen Mine Trend and the 10 km-long ultramafic contact zone with an objective of making a new high grade discovery.

Pure Gold has inherited decade's worth of data from previous owners and operators at Madsen. This data is now being evaluated using modern techniques which is shedding new light on defining additional high potential exploration targets. The Company anticipates spending approximately $4.0 million exploring Madsen over the period April to December 2014, including drilling approximately 9,000 metres at high priority targets.

Overall Performance

Exploration Projects and Joint Arrangement / Alliance Agreements

Cumulative spending on the Company's exploration projects as of March 31, 2014 is as follows:

		Acquisition Costs		Exploration Expenditures		As at March 31, 2014
Madsen, Red Lake, Ontario	$	7,635,798	$	168,588[1]	$	7,804,386
Other Properties, Canada		-		7,892,280[2]		7,892,280
Total	$	7,635,798	$	8,060,868	$	15,696,666

(1) *The entire amount of this balance was incurred during the year ended March 31, 2014.*
(2) *The Company incurred $5,793 of this balance during the year ended March 31, 2014.*

Cumulative spending on the Company's alliance and joint arrangement based projects as of March 31, 2014 is as follows:

		Acquisition Costs		Exploration Expenditures		As at March 31, 2014
Goldpines North Joint Arrangement ("GPNJA")	$	-	$	2,056,295	$	2,056,295
GPNJA Cash Calls / Funds Used		-		(1,951,781)		(1,951,781)
Antofagasta Alliance		-		887,235[1]		887,235
Antofagasta Cash Calls / Funds Used		-		(887,235)		(887,235)
Total	$	-	$	104,514	$	104,514

(1) *Of this amount, $543,716 was incurred during the year ended March 31, 2014.*

Madsen Gold Project, Red Lake, Ontario

On March 4, 2014, the Company acquired 100% interest in Madsen from Claude. The total cost of the Madsen acquisition has been allocated in the consolidated financial statements as follows:

Cash consideration paid	$ 6,250,000
Share consideration paid (9,776,885 Common Shares)	2,102,031
Cash or share consideration (at Pure Gold's discretion) payable by September 4, 2014	2,500,000
Transaction costs	1,308,145
Total Purchase Consideration	**$ 12,160,176**

Exploration and evaluation assets	$ 7,635,798
Property, plant and equipment	6,844,616
Provision for closure and reclamation	(2,320,238)
Net Assets Acquired	**$ 12,160,176**

Madsen (following the acquisition of the Newman-Madsen property on June 24, 2014) comprises 278 mining claims (predominantly patented) covering an area of 5,249 hectares and includes accompanying surface rights in the prolific Red Lake gold camp of Northwestern Ontario. Madsen hosts two former gold producers including the Madsen Gold Mine which had previous gold production of 2.4 million ounces.

The Madsen Gold Mine operated continuously from 1938 to 1974, and 1997 to 1999. Total recorded production is 7,872,679 metric tonnes at an average grade of 9.7 g/t Au producing 2,452,388 ounces of gold.

In 2009, SRK Consulting Inc. was contracted by Claude to calculate a mineral resource for the Madsen Gold Mine. SRK compiled a geological database consisting of 13,617 historic surface and underground core holes, 647 stope boreholes, and 6 underground core drill holes completed by Claude. Using this database SRK estimated an Indicated and Inferred mineral resource for four mineralized zones accessible from the underground mine workings. The mineral resource statement for the Madsen Gold Mine is listed in Table 19).

Table 1: Consolidated Mineral Resource Statement * for Madsen Gold Project, Ontario

Resource Class	Zone	Tonnes	Grade (g/tonne)	Grade (oz/ton)	Contained Gold (oz)
Indicated	Austin	1,677,000	7.92	0.23	427,000
	South Austin	850,000	9.32	0.27	254,000
	McVeigh	374,000	9.59	0.28	115,000
	Zone 8	335,000	12.21	0.36	132,000
	Total	**3,236,000**	**8.93**	**0.26**	**928,000**
Inferred	Austin	108,000	6.30	0.18	22,000
	South Austin	259,000	8.45	0.25	70,000
	McVeigh	104,000	6.11	0.18	20,000
	Zone 8	317,000	18.14	0.53	185,000
	Total	**788,000**	**11.74**	**0.34**	**297,000**

** Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Reported at a cut-off grade of 5.0 g/t gold based on US$1,000 per troy ounce gold and gold metallurgical recoveries of 94 percent. See the National Instrument 43-101 Technical Report entitled "Technical Report for the Madsen Gold Project, Red Lake, Ontario, Canada" with an effective date of February 18, 2014, which can be found on Pure Gold's profile on SEDAR at www.sedar.com.*

The mineral resource statement presented herein is restated from the initial mineral resource evaluation for the Madsen Gold project and is prepared in conformity with National Instrument 43-101 guidelines. It considers data (to September 27, 2009) from a total of 13,624 boreholes (816,367 metres) drilled between 1936 and 2009 and 4,446 historical underground stope chip samples.

The resource estimation work was supervised by Glen Cole, P.Geo, an "independent qualified person" as this term is defined in National Instrument 43-101. The effective date of this mineral resource statement is February 18, 2014. Mineral resources reported herein only consider gold mineralization in four separate zones of the former Madsen Mine. Other gold zones occurring within the Madsen Gold project were not considered.

In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the global gold mineral resources found in the Madsen Mine at the available level of data. The mineral resources reported herein have been estimated in conformity with both generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" guidelines. The mineral resource statement is reported in accordance with the Canadian Securities Administrators National Instrument 43-101.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. The mineral resources may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic and other factors. There is no certainty that all or any part of the mineral resources will be converted into a mineral reserve.

Mineral resources were estimated using a conventional geostatistical block modeling approach, with mineral resources constrained to modeled gold mineralization wireframes representing four main areas of gold mineralization (Austin, South Austin, McVeigh and Zone 8).. The database for Austin, South Austin and McVeigh Zones includes only historical drillhole data from 13,617 core boreholes containing 550,687 gold assay records. The database for Zone 8 contains a subset of the total 13,617 historical core borehole dataset, 4,446 historical stope chip samples records and six underground boreholes drilled by Claude. Resource modelling around historical underground mines is challenging as some of the modelled gold zones have seen previous underground mining and the underground workings have been inactive for a long period of time. SRK developed a conservative resource modelling strategy. Resource domains were defined and modelled from existing sampling data. Excavation wireframes were also constructed from available survey records. The mineral resources reported herein represent the gold mineralization situated in intact rock outside the excavation wireframes. In order to account for the possible instability of the rock mass surrounding mined out areas, geotechnical buffer zones around historical stopes were constructed and the material within these zones were excluded from estimated mineral resources. Four grade block models were constructed. The block models for Austin, South Austin and Zone 8 were constructed in Datamine Studio 3 using the sub-blocking function. The block model for McVeigh was constructed in GEMS as a percentage block model. Each block model was populated with a gold grade during the estimation *process. Internal waste caused by barren dikes crosscutting the gold mineralization in the Austin, South Austin and McVeigh Zones was evaluated by estimating gold grades into two separate block models using undiluted and diluted composite files. The volume of dike material was estimated using a geostatistical approach. Two grade block models were constructed (diluted and undiluted). Mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2011). The mineral resources are classified as Indicated and Inferred. The block model resource estimates were validated by visual inspection against informing data, quantile-quantile plots, comparison with nearest neighbor and inverse distance estimates and by replicating the Datamine estimates using GEMS. The "reasonable prospects for economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. Mineral resources for the Madsen Gold project are reported at a cut-off grade of 5.0 gpt gold considering that this material is amenable for underground extraction. The cut-off grade is based on a gold price of US$1,000 per ounce and a gold and metallurgical recovery of 94 percent.*

Existing mine and mill infrastructure on the property includes a 1,275 metre shaft, a 500 tonne per day mill and CIP gold recovery circuit installed at site in the late 1990's, and tailings storage facility, all of which are fully permitted and currently on care and maintenance. The existing permitted infrastructure provides considerable development flexibility, allowing for shortened timelines and the opportunity to leverage on exploration success.

The second former gold producer on the Madsen property is the historic Starrett-Olsen Mine. A 450 metre shaft was sunk in 1945 and mining operations were carried out from 1945 to 1956. A total of 823,544 metric tonnes were mined at an average recovered grade of 6.17 g/t Au to produce 163,990 ounces of gold. The Starratt-Olsen Mine does not have a current mineral resource. Only limited modern day exploration has been conducted near the mine workings.

Exploration Upside

In addition to the historic production and the mineral resource, Madsen has enormous upside exploration potential. A new interpretation of the role of folded ultramafic contacts and structural controls have resulted in multiple recent discoveries in the district, including Goldcorp's High Grade Zone at the Red Lake Mine Complex, the Bruce Channel system at the Cochenour Mine, and the F2 Gold System at Rubicon's Phoenix Mine. Pure Gold believes that opportunity exists to apply modern exploration science and a new understanding of the district to achieve similar success along the 10 kilometres of ultramafic contact at Madsen.

Madsen's 'Zone 8', discovered in 1969 along the ultramafic contact zone, has historic drill intersections that include 10.6 metres grading 16.7 g/t gold and 6.4 metres grading 21.9 g/t gold. These were followed up in recent years, returning drill intercepts as high as 7.9 metres grading 26.4 g/t gold [(1)]. Zone 8 is a system of high-grade gold hosted in quartz carbonate veins, with mineralization similar in style and host environment to more recent discoveries in the district.

At Madsen, the 10 km-long ultramafic contact is highly prospective for additional high-grade discoveries, and numerous recent discoveries along this contact have only been partially advanced. Pure Gold is pursuing a strategy of exploring for additional near surface high-grade mineralization along the 12 km-long Madsen Mine trend and the 10 km-long ultramafic contact. Some examples of exploration targets are:

Fork Zone: Recent discovery along the Madsen Mine Trend, located midway between the Madsen and Starratt-Olsen deposits. Surface drilling has intersected mineralization for approximately 700 metres along strike, defining multiple mineralized structures within a mineralized corridor some 50 to 100 metres wide, with drill intersections up to 10.3 metres grading 17.32 g/t Au (see Claude Resources Inc. news release dated April 16, 2008). Mineralization is open along strike and no mineral resource is defined.

Russett South: Represents a possible near-surface, up-dip expression of the 8 Zone. Multiple drill holes have intersected mineralization with intercepts up to 2.0 metres grading 29.08 g/t Au (see Claude Resources Inc. news release on February 26, 2008). Russett South is open in all directions. The 8 Zone resource is approximately 1,000 metres vertically below and the down-dip extension has seen minimal drill testing.

Treasure Box: The Treasure Box is a recent discovery located 2.2 km north of the 8 Zone and situated along the same geological contact that hosts the 8 Zone resource. The 800 metre by 200 metre zone was tested by surface drilling returning over 200 drill intercepts grading from 2.0 g/t Au to 155.9 g/t Au. Mineralization has been tested to 270 metre depth and is open. No mineral resource is defined.

Buffalo: The Buffalo showing is 6.4 km northeast of the Madsen Mine workings and located along the Madsen Mine Trend. In the 1980's a 60 metre decline ramp was established and both surface and underground drill holes were completed to test a 500 metre by 200 metre zone of continuous mineralization. The Buffalo zone is open to the east, west and at depth. Drill intercepts include 16.0 metres grading 7.6 g/t Au and 35.7 metres grading 3.5 g/t Au [(1)]. There is no mineral resource calculated for Buffalo.

During the fiscal year ended March 31, 2014, Pure Gold spent $168,588 exploring Madsen, primarily consisting of property tax payments and wages and consulting fees.

For the balance of 2014, Pure Gold anticipates spending $4.0 million at Madsen. The exploration program will consist of historic data compilation and analysis to better define existing drill targets and identify new ones, re-sampling of existing drill core, and drilling a planned 9,000 metres.

(1) Historic drill holes from Zone 8 were completed in the early 1970s. Historic drill holes from Buffalo were completed in the early 1980's. A full discussion regarding historic sampling practices can be found in the NI 43-101 Technical Report entitled "Technical Report for the Madsen Gold Project Red Lake, Ontario, Canada," prepared by SRK Consulting (Canada) Inc. dated effective February 18, 2014.

Other Mineral Property Interests

Antofagasta Alliance

In July 2012, the Company entered into a two year strategic exploration alliance (the "Antofagasta Alliance") with Antofagasta Minerals S.A. ("Antofagasta") for generative copper exploration in southern Quebec, Canada.

Under the terms of the Antofagasta Alliance, copper exploration and/or development opportunities acquired by the Antofagasta Alliance will become Designated Properties, and will have a deemed interest of 51% and 49% for Antofagasta and Pure Gold, respectively. Antofagasta may subsequently increase its interest in any Designated Property to 65% by completing US$5.0 million in exploration over four years and thereafter electing to form a Joint Venture with a one-time cash payment of US$1.0 million to Pure Gold.

The recent field work has identified a number of areas that merit further exploration. The Alliance will continue to review and interpret results from the field program with the goal of focusing future exploration activity towards the identification of a designated project.

Goldpines North Joint Arrangement

The Goldpines North Joint Arrangement ("GPNJA"), formed in March 2010, comprises 58 claims, covering a total of 10,912 hectares (ha). The GPNJA is accounted for as a join operation in accordance with IFRS, with Kinross holding a 76% participating interest in the GPNJA and the Company holding a 24% participating interest as of March 31, 2014. The GPNJA currently has no plans for near term work.

Van Horne Property, Dryden, Ontario

As a result of a review and prioritisation of the Company's portfolio of mineral property assets, the Company has determined that it no longer has any intentions to conduct any exploration activities on its Van Horne Property. Consequently, at March 31, 2014, the Company wrote down the deferred acquisition costs relating to the Van Horne property to nil.

Additional information about each of our exploration projects is also summarized in our AIF, and can be found on our company profile on SEDAR at www.sedar.com.

We have no revenue-producing operations. During the year ended March 31, 2014, we incurred $0.2 million in exploration expenditures, $0.6 million in general and administration expenditures and $0.3 million in non-cash expenditures. This was offset by other income of $54,284. Our remaining treasury is sufficient to satisfy the planned expenditures for fiscal 2015.

Selected Annual Information

Management is responsible for the annual financial statements referred to in this MD&A, and provides officers' disclosure certifications filed with Canadian provincial securities commissions. The Company's Board of Directors reviews and approves the annual financial statements and MD&A.

The annual financial statements have been prepared using accounting policies in compliance with IFRS, as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee. Our significant accounting policies are presented in Note 3 of the Annual Financial Statements; we followed these accounting policies consistently throughout the year. Details of new accounting standards, effective for the reporting period beginning April 1, 2013, and their effect on the financial information can be found in Note 3(q) of the Annual Financial Statements. No material changes were noted. We have elected to defer all acquisition costs and expense all exploration and evaluation expenditures relating to our mineral exploration property interests. The Company's operations are in one industry, that being the exploration for gold, copper and other precious and base metals.

Because Pure Gold raises its financing and incurs all expenditures in Canadian dollars, it has been determined to have a Canadian dollar functional currency. The presentation currency of our Annual Financial Statements is also the Canadian dollar. The selected financial data presented below for the current and comparative periods was prepared in accordance with IFRS. The selected period information and summary of financial results in this MD&A should be read in conjunction with the Annual Financial Statements.

Results of Operations

The following financial data are derived from our consolidated financial statements for the years ended March 31, 2014, 2013 and 2012:

	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Total Revenue	**$ -**	$ -	$ -
Net loss for the year attributable to shareholders	**$ 1,098,112**	$ 1,657,747	$ 3,475,960
Basic and Diluted Loss per Share	**$ (0.07)**	$ (0.24)	$ (0.58)

Fiscal year ended March 31, 2014 vs. fiscal year ended March 31, 2013

The most significant contributors to the loss for the year ended March 31, 2014 was (i) wages and consulting fees of $0.4 million, (ii) office expenditures of $86,211, (iii) professional fees of $68,275, (iv) exploration and evaluation expenditures of $0.2 million and (v) an impairment of exploration and evaluation assets of $0.3 million. Expenses for the year ended March 31, 2014 were offset by other income of $54,284.

The most significant contributors to the loss for the year ended March 31, 2013 was (i) wages and consulting fees of $0.5 million, (ii) office expenditures of $71,539, (iii) non-cash share-based compensation expense of $91,746, (iv) exploration and evaluation expenditures of $0.2 million and (v) an impairment of exploration and evaluation assets of $0.7 million. Expenses for the year ended March 31, 2013 were offset by other income of $30,346.

Going forward, Pure Gold expects an increase in general and administrative costs and exploration expenses as activity levels ramp up to exploring Madsen, and the Company adds technical and administrative staff to meet its day to day staffing requirements arising from the increased activity.

Wages and consulting fees

Wages and consulting fees decreased by $0.1 million from $0.5 million for the year ended March 31, 2013 to $0.4 million for the year ended March 31, 2014. The change was largely due to a general decrease in payroll and consulting fees as the Company scaled down its administrative costs and focussed its efforts on acquiring a new transformative project. In addition, the Company allocated certain of its resources to the Antofagasta Alliance due to a temporary shift in focus. The Company's main focus going forward will be on Madsen.

Office expense

Office expense increased by $14,672 from $71,539 for the year ended March 31, 2013 to $86,211 for the year ended March 31, 2014. The increase was primarily due to the Company incurring a one-time bank charge as a result of the Company's obligation to post three separate letters of credit totalling $1,407,736. These letters of credit provide for a partial indemnification of the closure and reclamation costs with respect to Madsen.

Professional fees

Professional fees increased by $34,806 from $33,469 for the year ended March 31, 2013 to $68,275 for the year ended March 31, 2014. This increase was due to an accrual for increased audit fees with respect to the Company's annual audit for the fiscal year ended March 31, 2014. Higher audit fees were anticipated as a result of the accounting implications of the Madsen acquisition.

Share-based compensation expense

Share based compensation expense decreased by $91,461 from $91,746 for the year ended March 31, 2013 to $285 for the year ended March 31, 2014. During the year ended March 31, 2013, the Company granted 500,000 incentive stock options to directors, officers and employees of which 470,000 vested immediately and the remaining 30,000 were subject to vesting provisions. Therefore a significant portion of the fair value assigned to these incentive stock options was recognized during the year ended March 31, 2013. The Company did not grant any incentive stock options during the year ended March 31, 2014. Share-based compensation expense for the year ended March 31, 2014 related to the net of $2,068 representing the fair value of the incentive stock options which were granted during the fiscal year ended March 31, 2013 but vested during the year ended March 31, 2014 along with the reversal of $1,783 representing the fair value of the unvested portion of 30,000 stock options which were forfeited.

Exploration and evaluation expenditures

Exploration and evaluation expenditures remained consistent during the year ended March 31, 2014 in comparison to the year ended March 31, 2013. During the year ended March 31, 2014, the majority of exploration and evaluation expenditures related to initial exploration expenditures incurred on Madsen and all such expenditures were incurred in March 2014. During the year ended March 31, 2013, the majority of exploration and evaluation expenditures related to exploration expenditures incurred on its Van Horne property.

Impairment of exploration and evaluation assets

During the year ended March 31, 2014, the Company wrote down $0.3 million, being the remaining value of deferred acquisition costs relating to its Van Horne property, resulting from a review and prioritisation of the Company's portfolio of mineral property assets. During the year ended March 31, 2013, the Company wrote down $0.7 million, being the value of deferred acquisition costs relating to its Maze Lake, Thundercloud and Van Horne properties. The write-downs resulted from the Company terminating its option agreements for the Thundercloud property and a portion of the Van Horne property as well as the transfer of all its legal and beneficial interest in the Maze Lake property to its joint arrangement partner.

Fiscal year ended March 31, 2013 vs. fiscal year ended March 31, 2012

The most significant contributors to the loss for the year ended March 31, 2013 was (i) wages and consulting fees of $0.5 million, (ii) office expenditures of $71,539, (iii) non-cash share-based compensation expense of $91,746, (iv) exploration and evaluation expenditures of $0.2 million and (v) an impairment of exploration and evaluation assets of $0.7 million. Expenses for the year ended March 31, 2013 were offset by other income of $30,346.

The most significant contributors to the loss for the year ended March 31, 2012 was (i) wages and consulting fees of $0.6 million, (ii) office expenditures of $0.1 million, (iii) non-cash share-based compensation expense of $0.2 million, (iv) professional fees of $0.2 million (v) exploration and evaluation expenditures of $2.1 million and (v) an impairment of exploration and evaluation assets of $88,000. Expenses for the year ended March 31, 2012 were offset by other income of $0.1 million.

Wages and consulting fees

Wages and consulting fees decreased by $0.1 million from $0.6 million for the year ended March 31, 2012 to $0.5 million for the year ended March 31, 2013. The change was largely due to a general decrease in payroll as the Company scaled down its operations with a significant decline in activity on the Thundercloud property during the year ended March 31, 2013.

Office expenses

Office expense decreased by $35,758 from $107,297 for the year ended March 31, 2012 to $71,539 for the year ended March 31, 2013. The decrease was primarily due to the Company sub-leasing its site office located in Winnipeg as a result of the Company taking the necessary measures to scale back on its overhead and administrative expenses due to current market conditions at that time. The site office in Winnipeg is currently sub-leased to a third party for the same rental cost.

Share-based compensation expense

Share-based compensation expense decreased by $0.1 million to $0.1 million for the year ended March 31, 2013 from $0.2 million for the same period in 2012. The comparative year's share-based compensation expense of $0.2 million resulted from the vesting and expensing of certain stock options granted in the fourth quarter of the fiscal year ended March 31, 2011 which had a higher fair value assigned to them compared to the fair value of the 500,000 stock options granted and vested during the year ended March 31, 2013.

Professional fees

Professional fees decreased by $0.15 million to $0.05 million for the year ended March 31, 2013 from $0.2 million for the same period in 2012. A significant portion of the professional fees incurred during the year ended March 31, 2012 related to the Company's transition to IFRS and due diligence fees for a potential business transaction, both of which were not incurred during the year ended March 31, 2013.

Exploration and evaluation expenditures

Exploration and evaluation expenditures decreased by $2.0 million from $2.1 million for the year ended March 31, 2012 to $0.1 million for the same period in 2013. The decrease was largely due to a reduction in exploration activities on the Thundercloud, Van Horne and Goldpines North properties as a result of current market conditions.

Impairment of exploration and evaluation assets

Impairment of exploration and evaluation assets increased by $0.6 million from $88,000 for the year ended March 31, 2012 to $0.7 million in 2013. The increase was due to the write-off of the Thundercloud, Maze Lake and a portion of the Van Horne property acquisition costs totalling $0.7 million compared to $0.1 million in 2012 relating to the write-off of the Grenville and Sakoose West properties.

Financial Position

The following financial data are derived from our consolidated financial statements as at the year ended March 31, 2014, 2013 and 2012:

	As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
Total assets	**$**	**25,239,751**	$	868,522	$	1,846,298
Current liabilities	**$**	**3,191,633**	$	121,427	$	183,410
Non-current liabilities	**$**	**2,320,238**	$	-	$	-
Cash dividends declared	**$**	**-**	$	-	$	-

Total assets

Total assets increased by $24.4 million as at March 31, 2014 in comparison to March 31, 2013 due to the successful completion of an $18.6 million financing and the concurrent acquisition of Madsen on March 4, 2014, the net of which has left the Company with cash of $9.0 million as at March 31, 2014 compared to cash of $0.4 million as at March 31, 2013.

The acquisition of Madsen has also led to an increase in other current and non-current assets as at March 31, 2014. As a result of the Madsen acquisition, the Company now recognizes property, plant and equipment of $6.8 million. Property Plant and equipment of $26,466 was recognized at March 31, 2013. In addition, the Company was required to deposit $1.4 million with regulatory authorities to provide partial security for its future asset retirement obligations at Madsen.

We have not yet completed feasibility studies to determine whether any of our exploration properties contain resources that are economically recoverable. All direct costs associated with the acquisition costs of the Company's mineral property interests are capitalized as incurred. All exploration and evaluation expenditures incurred are expensed in the Company's statement of loss and comprehensive loss. If a property proceeds to development, these costs become part of pre-production and development costs of the mine. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related acquisition costs are written-off.

Total assets decreased by $1.0 million as at March 31, 2013 in comparison to March 31, 2012 due to the a decrease in amounts receivable and the write-down of exploration and evaluation assets. As at March 31, 2012, the Company had a mineral exploration tax credit refund owing to them which was received during the year ended March 31, 2013. During the year ended March 31, 2013, the Company also wrote-down $0.7 million in deferred acquisition costs which had been classified under exploration and evaluation assets. The write-down resulted from a review and prioritisation of the Company's portfolio of mineral property assets.

Current liabilities

At March 31, 2014, 2013 and 2012, our current liabilities comprise (i) trade accounts payable and accrued liabilities of $0.5 million (2013 – $0.1 million and 2012 - $74,878) (ii) mineral property funding obligations related to our Antofagasta Alliance Agreement of $0.1 million (2013 - $2,075 and 2012 - $0.1 million) and (iii) other liabilities of $2.5 million (2013 and 2012 - $nil) which consist of the final payment to Claude for Madsen. The significant increase in current liabilities as at March 31, 2014 in comparison to March 31, 2013 was due to the increase in trade accounts payable and other liabilities primarily associated with our newly acquired Madsen Project. The decrease at March 31, 2013 in comparison to March 31, 2012 was due to a decrease in mineral property funding obligations relating to the Company's strategic exploration alliance.

Non-current liabilities

At March 31, 2014, our non-current liabilities consist of a provision for closure and reclamation costs with respect to future reclamation work to be performed on our Madsen Gold Project. There were no non-current liabilities as at March 31, 2013 and 2012.

Shareholders' equity

The Company issued Common Shares as follows during the year ended March 31, 2014:

Date	Common Shares
March 4, 2014	74,326,500 – common shares issuances resulting from financing.
March 4, 2014	9,776,885 – common shares issued to Claude as share consideration for Madsen.
March 4, 2014	2,000,000 – common shares issued to Oxygen for exploration and evaluation assets.
March 4, 2014	1,200,000 – common shares issued to Macquarie for exploration and evaluation assets.
March 11, 2014	10,500 – exercised warrants.

Refer also to discussion in this MD&A under the heading, "Outstanding Share Data". The Company has not declared any dividends since incorporation.

Summary of Quarterly Results

The following information is prepared in accordance with IFRS and is derived from and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for each of the past eight quarters, as well as the Annual Financial Statements. Consistent with the preparation and presentation in our Annual Financial Statements, these unaudited quarterly results are presented in Canadian dollars. The determination of functional currency for the Company and its subsidiary is unchanged from that which is consolidated in the Annual Financial Statements and also from the discussion within this MD&A under the heading, "Selected Annual Information".

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Total revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss from operations	($775,322)	($149,922)	($104,510)	($122,642)	($949,950)	($175,257)	($162,743)	($400,143)
Net loss and comprehensive loss	($768,155)	($142,490)	($82,598)	($104,869)	($764,074)	($339,813)	($155,121)	($398,739)
Basic and diluted loss per share	($0.02)	($0.02)	($0.01)	($0.01)	($0.09)	($0.05)	($0.03)	($0.06)

- The Company's net loss and comprehensive loss for the quarter ended March 31, 2014 increased by $0.6 million when compared to the net loss and comprehensive loss for the quarter ended December 31, 2013 of $0.1 million primarily due to the write-off of acquisition costs of $0.3 million for the Company's Van Horne property along with an accrual for increased audit fees with respect to the Company's annual audit for the fiscal year ended March 31, 2014. The complexity of the audit increased following the Company's acquisition of Madsen.

- The Company's net loss and comprehensive loss between the quarters ended December 31, 2013, September 30, 2013 and June 30, 2013 stayed relatively consistent as there were no significant transactions between the two quarters.

- The most notable change between the quarters ended June 30, 2013 and March 31, 2013 is the significant decrease in the net loss of $0.6 million. The substantial decrease was largely due to the $0.5 million write down of capitalized acquisition costs during the quarter ended March 31, 2013 described below compared to no write-downs for the quarter ended June 30, 2013 and the Company's continued implementation of measures to reduce operating costs.

- The Company's net loss increased significantly by $0.4 million for the quarter ended March 31, 2013 compared to the quarter ended December 31, 2012 mainly due to the write-off of the Maze Lake acquisition costs and a portion of the Van Horne acquisition costs totalling $0.5 million. These write-offs were offset by the $0.1 million option payment received from Pershimco with respect to the sale of the Belcourt property. The write-off of acquisition costs during the quarter ended March 31, 2013 also explains the reason for the decreases in both total assets and equity when compared to the quarter ended December 31, 2012.

- The Company's net loss increased significantly by $0.2 million for the three months ended December 31, 2012 when compared to the quarter ended September 30, 2012 primarily due to the write-off of the Thundercloud acquisition costs of $0.2 million which also explains the decreases in exploration and evaluation assets and equity balances.

- The Company's net loss for the three months ended September 30, 2012 decreased by $0.2 million when compared to the net loss for the three months ended June 30, 2012 primarily due to the Company's continued efforts to conserve cash and curtail operating expenditures in a prevailing depressed venture capital market.

Fourth Quarter Results

During the quarter ended March 31, 2014, the Company incurred a loss of $0.7 million. The most significant items contributing to this loss was the write-off of acquisition costs related to the Company's Van Horne property and increased professional fees.

The Company incurred a significant cash inflow as result of the successful financing completed during the fourth quarter which saw the Company raise gross proceeds of $18.6 million which was offset by $1.4 million in share issuance costs. This was followed by significant cash outflows totaling $6.8 million related to the acquisition of Madsen during the fourth quarter. In addition, the Company made approximately $1.4 million in reclamation deposits to partially provide financial assurance of its future asset retirement obligations relating to Madsen.

Liquidity and Capital Resources

Pursuant to the closing of the financing and concurrent acquisition of Madsen and the adjoining Newman-Madsen property, at the date of this MD&A, the Company has approximately $7.8 million in cash and short-term investments and approximately $2.6 million in current liabilities. The Company's working capital balance as at the date of this MD&A is approximately $5.4 million. There are no known restrictions on the ability of our subsidiary to transfer or return funds to the Company. The Company, through its subsidiary, does hold restricted cash on behalf of its strategic exploration alliance with Antofagasta Minerals S.A., such cash to be spent solely on approved alliance exploration programs. The Company may incur costs on behalf of its subsidiary which are unavoidable and directly attributable to the subsidiary's operations at which point the subsidiary will reimburse the Company for such costs.

Although we have no revenue-producing operations, and earn only minimal income through investment income on treasury, amounts arising through various property option or alliance agreements and occasionally as a result of the disposal of an exploration asset, the closing of the recent financing on March 4, 2014 positions the Company to advance Madsen during fiscal 2015 without the need to raise additional capital. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration activities, permitting activities and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Pure Gold, is reasonable. We have not issued any dividends and management does not expect this will change in the near future.

Our budget, including exploration and administration for the period April to December 2014, is approximately $5.0 million. We currently anticipate spending approximately $4.0 million on our Madsen Gold Project and approximately $1.0 million on general and administrative costs which include wages and consulting fees, professional fees and those costs associated with running the Company's head office in Vancouver.

Pure Gold manages and adjusts its capital structure based on available funds in order to support acquisition, exploration and development of mineral properties. The properties in which we currently have an interest in are in the exploration stage. Accordingly, we are dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund our activities. Circumstances that could impair our ability to raise additional funds, or our ability to undertake transactions, are discussed in our AIF under the heard "Risk Factors". Although management has been successful in the past when raising additional financing, there can be no assurance they will be successful in the future.

Contractual Obligations

<u>Mineral Properties</u>

The Company currently has certain obligations in connection with its Madsen Gold Project. The Company currently owes Claude $2.5 million on or before September 1, 2014. It is at the Company's option as to whether this payment can be made in either cash or through the issuance of common shares.

The Company is also required to pay $0.9 million in reclamation deposits to provide for a partial indemnification of the closure reclamation costs associated with its Madsen Gold Project. This can be achieved through a formal letter of credit or a payment directly to the Ministry of Northern Development and Mines in Ontario. This amount is due in three separate instalments as follows: (i) $0.3 million on or before December 1, 2014, (ii) $0.3 million on or before June 1, 2015 and (iii) $0.3 million on or before December 1, 2015.

The Company, through its subsidiary, also holds restricted cash on behalf of its strategic exploration alliance with Antofagasta Minerals S.A., such cash to be spent solely on approved alliance exploration programs.

Pure Gold has no other commitments for material capital expenditures as of March 31, 2014.

Management and Technical Services Agreement

The Company has entered into a Technical and Administrative Services Agreement (the "Oxygen Agreement") with Oxygen Capital Corp. ("Oxygen"), a private company of which a director and an officer are shareholders. Pursuant to the Oxygen Agreement, and without limiting or abrogating the duties of Pure Gold's President and Chief Executive Officer or its Chief Financial Officer and Corporate Secretary, Oxygen provides the Company:

- access to, and the use of the assets contained in, office space leased by Oxygen; and
- services, staff and expertise as determined necessary to properly and efficiently manage the assets, operations, business and administrative affairs of Pure Gold.

The Company pays Oxygen for the cost of management and technical services, including the wage allocations of employees seconded by Oxygen to the Company (plus tax and applicable benefits) at cost; There is no mark-up or additional direct charge to the Company from Oxygen under the Oxygen Agreement.

The Oxygen Agreement is intended to provide the Company with a number of technical and administrative services and access, on an as-needed basis, to Oxygen's roster of geologists, mining engineers, investor relations and financial and business development professionals that would not necessarily otherwise be available to Pure Gold at this stage of the Company's development.

The Oxygen Agreement is for an initial term of two years, and shall be automatically renewed from time to time thereafter for an a additional term of two years unless otherwise terminated. The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination.

Leases

Winnipeg Site Office

Pursuant to a rental lease agreement dated February 29, 2012, the Company is committed to pay rent for office space in Winnipeg, Canada at approximately $2,800 per month ($33,600 annually). The lease expires on June 30, 2017. On November 14, 2012, the Company sub-leased this site office to a third party for the same rental cost (approximately $2,800 per month). The third party is bound by all the covenants, terms and conditions of the original rental lease agreement.

Related Party Transactions

Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

Oxygen Capital Corp (“Oxygen”).

Oxygen is a private company partially owned by one director and one officer of the Company. Oxygen provides technical and administrative services to the Company at cost, including providing some staffing who are seconded to the Company, office facilities and other administrative functions. A total of $5,712 was paid or accrued to Oxygen for the year ended March 31, 2014. At March 31, 2014, the Company held a payable amount to Oxygen of $5,712. This amount was paid subsequent March 31, 2014.

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP of Exploration, the Chief Financial Officer and the Corporate Secretary. The aggregate total compensation paid or payable to key management for employee services directly or via Oxygen is as follows:

Name	Nature of Compensation	March 31, 2014	March 31, 2013
Darin Labrenz, President and CEO	Salary	$ 170,000	$ 170,000
Graeme Currie	Directorship	3,763	-
Lenard Boggio	Directorship	2,634	-
Mark O’Dea	Directorship	1,882	-
Troy Fierro	Board Advisory	1,882	-
Robert Pease	Board Advisory	1,882	-
Mark Pryor, Former VP, Exploration	Salary	60,000	60,000
Nick Corea, Former CFO	Salary	36,000	36,000
Brian Fowler, Former Director	Consulting	115,000	60,000
Total		**$ 393,043**	**$ 326,000**

Share-based compensation issued to key management personnel during the year ended March 31, 2014 totaled $Nil (March 31, 2013 - $72,594). Share-based compensation is the fair value of options granted and vested to key management personnel. These amounts have not been included in the table above and should be considered as additional compensation.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as at March 31, 2014 or as at the date hereof.

Proposed Transactions

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. We are also continually reviewing and discussing opportunities with third parties regarding the sale of non-strategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

At present, there are no proposed asset or business acquisitions or dispositions before the Board for consideration.

Changes in Accounting Policies and New Pronouncements

For information on the Company’s accounting policies and new accounting pronouncements, please refer to the disclosure in Note 3 of our annual financial statements.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses. Factors that could affect these judgments, estimates and assumptions are discussed in our

AIF, dated July 4, 2014, under the heading “Risk Factors”. Subject to the impact of such risks, the carrying value of Pure Gold’s financial assets and liabilities approximates their estimated fair value.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) Review of Asset Carrying Values and Impairment Assessment

In accordance with the Company’s accounting policy, each asset is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the higher of value in use and fair value less costs to sell. The most significant assets the Company assesses for impairment are exploration and evaluation assets. Judgements involved in assessing impairment of exploration and evaluation assets are discussed below.

(ii) Exploration and Evaluation Assets and Expenditures

The application of the Company’s accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies and there is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

At March 31, 2014, the Company wrote down the value of deferred acquisition costs relating to the Van Horne property, resulting from a review and prioritisation of the Company’s portfolio of mineral property assets. There were no indicators of impairment on the Company’s other assets.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Exploration and Evaluation Assets and Expenditures

In addition to applying judgment to determine whether future economic benefits are likely to arise from the Company’s exploration and evaluation assets or whether activities have not reached a stage that permits reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions. The publication of a resource per National

Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”) technical report, is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the Company defers exploration and evaluation assets. Any such estimates and assumptions may change as new information becomes available. If, after deferred acquisition costs are capitalized, information becomes available suggesting the recovery of such costs is unlikely, the relevant capitalized amount is written off in the consolidated statement of loss and comprehensive loss in the period when the information becomes available. Management believes that the estimates involving its exploration and evaluation assets and expenditures are reasonable.

(ii) Determination of the Fair Value of Share-based Payments

The fair value of stock options granted and warrants issued is computed to determine the relevant charge to equity reserves and the consolidated statement of loss and comprehensive loss and related obligation as applicable. In order to compute this fair value, the Company uses the Black-Scholes option pricing model; this inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates. Changes in any of these inputs could cause a significant change in the stock-based compensation expense charged in the consolidated statement of loss and comprehensive loss and to equity reserves in a given period. Management believes that the estimates involving its share-based payments are reasonable.

(iii) Decommissioning, Restoration and Similar Liabilities

Decommissioning, restoration and similar liabilities are estimated based on the Company’s interpretation of current regulatory requirements, constructive obligations and are measured at the present value of discounted cash flows for the estimated liabilities. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration and similar liabilities that may occur upon decommissioning of certain of the Company’s assets. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when Pure Gold becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from assets have expired or have been transferred and Pure Gold has transferred substantially all risks and rewards of ownership. Our accounting policy for each category of financial instrument is summarized below.

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. At initial recognition, Pure Gold classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. The Company does not have financial assets classified under this category.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Cash, restricted cash, short-term investments, amounts receivable (excluding sales tax receivable and resource tax credits) and reclamation deposits have been classified under this category.

Available-For-Sale

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in fair value are recognized in other comprehensive income (loss) and classified as a component of equity. When the financial assets are sold or an impairment write-down is required, the accumulated fair value adjustments in other comprehensive income are included in the statement of income (loss) and are included in other gains or losses. The Company does not have financial assets classified under this category.

Financial liabilities

Other Financial Liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transactions costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the maturity amount is recognized in the statement of earnings (loss) over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities, mineral property funding obligations, other current liabilities and the provision for closure and reclamation have been classified under this category.

Derivative Financial Liabilities

Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss. There are no financial liabilities classified under this category.

Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Risks associated with financial instruments

We are exposed to a variety of financial instrument related risks. The Board provides oversight for our risk management processes. The type of risk exposure and the way in which such exposure is managed is explained as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, restricted cash, short-term investments and amounts receivable. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash, restricted cash and short-term investments with high credit quality major Canadian financial institutions as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. At March 31, 2014, the Company had cash of $9.0 million (March 31, 2013 - $0.4 million), restricted cash of $0.1 million (March 31, 2013 - $2,075) and short-term investments of $35,000 (March 31, 2013 - $35,000) to settle current liabilities of $3.2 million (March 31, 2013 - $0.1 million).

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash, restricted cash and short-term investments include deposits which are at variable interest rates. For the year ended March 31, 2014, a plus or minus 0.5% change in market interest rates would affect the Company's interest earned on cash, restricted cash and short-term investments by approximately $46,000.

Fair Value Estimation

The carrying value of the Company's financial assets and liabilities approximates their estimated fair value because of their short term nature.

Management of Capital

Pure Gold considers the items included in the consolidated statement of shareholders' equity as capital. Management of the Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Pure Gold's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

Industry and Economic Factors That May Affect Our Business

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are described under the heading "Risk Factors" in our AIF, available on Pure Gold's SEDAR profile at www.sedar.com. In particular, there remains to be significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties and increased volatility in the prices of gold, copper, other precious and base metals and other minerals as well as increased volatility in the foreign currency exchange markets as assets continue to be re-priced against a backdrop of uncertainty relating to the foreign exchange rate and certainty that the United States Federal Reserves Qualitative Easing programs will be tapered, ongoing deferral of, and debate relating to, budget issues in the United States, and as a rebalancing of the global growth forecast is digested by the capital, commodity and currency markets.

While the decrease in the price of gold during 2013 and 2014 to date and ongoing uncertainties in capital markets do not have direct impact on the Company's ability to carry out exploration, the Company may be impacted should it become more difficult to gain access to capital (e.g. debt or equity financing for the purposes of mineral exploration and development) when and if needed. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore the mineral properties in which we have in interest.

Legal Matters

Pure Gold is not currently, and has not at any time during our most recently completed financial year, been party to, nor has any of its property interests been the subject of, any material legal proceedings or regulatory actions.

Outstanding Share Data

Pure Gold's authorized capital is unlimited common shares without par value. As at July 4, 2014 the following common shares, stock options, share purchase warrants and compensation options were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares *	103,344,075	N/A	N/A
Stock Options**	32,500 30,000 50,000 365,000 4,380,000 300,000	$0.20 $0.20 $0.20 $0.20 $0.35 $0.32	August 11, 2014 January 21, 2016 March 11, 2016 February 25, 2018 April 8, 2019 May 13, 2019
Share Purchase Warrants	2,507,000 500,000 38,163,250	$0.30 $0.30 $0.50	January 7, 2015 March 20, 2015 September 4, 2016
Compensation Options ***	4,142,191	$0.25	March 4, 2016
Fully Diluted	153,814,016		

** On June 24, 2014, the Company issued 6,500,000 common shares to acquire the Newman-Madsen Property from Sabina Gold & Silver Corp. ("Sabina"). Please refer to the section entitled "Subsequent Events" within this MD&A.*

On June 30, 2014, 15,000 incentive stock options with a strike price of $0.20 and 162,000 share purchases warrants with a strike price of $0.30 were exercised.

*** On April 8, 2014, the Company granted 4,380,000 incentive stock options. On May 13, 2014, the Company granted an additional 300,000 incentive stock options. Please refer to the section entitled "Subsequent Events" within this MD&A.*

**** Compensation Options were issued to various Brokers for services rendered for the March 4, 2014 private placement. Each Compensation Option is exercisable for a period of 24 months from issuance and has a strike price of $0.25. Upon exercise, the holder is entitled to one Common Share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to subscribe for one additional common share at a price of $0.50, with such warrants expiring 24 months from initial issuance of the Compensation Option.*

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Pure Gold's general and administrative expenses and exploration and evaluation expenses is provided in the Company's Statements of Loss and Comprehensive Loss contained in its audited consolidated financial statements for the years ended March 31, 2014 and 2013 which is available on Pure Gold's website at www.puregoldmining.ca or on its profile on SEDAR at www.sedar.com.

Subsequent Events

Newman-Madsen Property

On June 24, 2014 the Company closed a transaction to acquire a 100% interest in the Newman-Madsen Property from Sabina Gold & Silver Corp. (“Sabina”). The Newman-Madsen Property consists of 38 patented mining claims and is adjacent to Pure Gold’s Madsen Gold Project in the prolific Red Lake gold camp.

On closing, Pure Gold issued 6,500,000 of its common shares to Sabina, which are subject to a statutory four month hold period. Pure Gold also took the necessary steps to appoint Mr. Robert Pease, current President and CEO of Sabina, to Pure Gold’s Board of Directors. Pure Gold and Sabina also entered into an equity participation agreement pursuant to which Sabina has the right to maintain its equity position. Such right will expire on the earlier of 24 months from the closing date or the date on which Sabina ceases to hold at least 3.5% of the shares of Pure Gold.

On closing, Sabina held a 6.3% interest in Pure Gold.

Granting of Stock Options

On April 8, 2014, the Company granted incentive stock options to its directors, employees and consultants exercisable to purchase up to 4,380,000 common shares in the capital of the Company until April 8, 2019 at an exercise price of $0.35 per share, being the closing price of the Company’s shares as traded on the TSX-V on April 7, 2014. The incentive stock options were granted in accordance with the Company’s Stock Option Plan and other than those options granted to non-executive directors, are subject to vesting provisions.

On May 13, 2014, the Company granted incentive stock options to an officer and an employee exercisable to purchase up to 300,000 common shares in the capital of the Company until May 13, 2019 at an exercise price of $0.32 per share. The incentive stock options were granted in accordance with the Company’s Stock Option Plan and are subject to vesting provisions.

Exercise of Share Purchase Warrants

Subsequent to the year ended March 31, 2014, 162,000 share purchase warrants with a strike price of $0.30 were exercised for total proceeds of $48,600.

Exercise of Stock Options

Subsequent to the year ended March 31, 2014, 15,000 incentive stock options with a strike price of $0.20 were exercised.

Forfeiture of Stock Options

Subsequent to the year ended March 31, 2014, 40,000 incentive stock options with a strike price of $0.20 were forfeited and cancelled.

Management’s Responsibility for the Financial Statements

The preparation and presentation of the accompanying financial statements, MD&A and all financial information in the financial statements are the responsibility of management and have been approved by the Board of Directors following the report and recommendation of the Audit Committee. The financial statements have been prepared in accordance with IFRS. Financial statements by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and with the participation of the CEO and the CFO, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. The CEO and CFO will certify the annual filings with the CSA as required in Canada by National Instrument ("NI") 52-109 (Certification of Disclosure in an Issuer's Annual and Interim Filings). The Board of Directors is responsible for overseeing management and to consider whether they have fulfilled their responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management. The Audit Committee is appointed by the Board of Directors and reviews the financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of management's assessment over internal controls described below; considers and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board of Directors for consideration when approving the financial statements for issuance to the shareholders and also management's report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Controls and Procedures

In connection with NI 52-109, the CEO and CFO of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim consolidated financial statements and respective accompanying MD&A as at December 31, 2013 (together the "Interim Filings").

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Scientific and Technical Disclosure

With the exception of the Madsen Gold Project, the Company's exploration projects and those in which we have an interest are early stage and do not contain any mineral resource estimates as defined by NI 43-101.

Unless otherwise indicated, Pure Gold has prepared the technical information in this MD&A ("Technical Information") based on information contained in the following technical reports:

- "Technical Report on the Madsen Gold Project, Red Lake, Ontario, Canada", effective February 18, 2014, and dated February 18, 2014, filed under the Company's profile on SEDAR at www.sedar.com.

Technical Information was also based on information contained in news releases (collectively the "Disclosure Documents") available under Pure Gold's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Our Disclosure Documents were prepared by or under the supervision of an independent Qualified Person ("QP"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral resource estimates relating to Madsen are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined at Madsen may differ from the one indicated by drilling results and the difference may be material. Although there has been no economic analysis summarized in this MD&A relating to the Madsen Gold Project Technical Report, readers are cautioned that the Madsen Technical Report is preliminary in nature and includes inferred and indicated mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that this will indeed occur. Further studies, including engineering and economics, are required (typically as a Pre-Feasibility Study) with regards to infrastructure and operational methodologies. Additional disclosure and cautionary notes relating to Madsen are summarized in our AIF, available on Pure Gold's SEDAR profile at www.sedar.com.

Darren O'Brien, P.Geo, Pure Gold's VP of Exploration, is the Company's QP for the purposes of NI 43-101, and has reviewed and validated that the scientific or technical information contained in this MD&A related to the Madsen Gold Project Technical Report is consistent with that provided by the QPs responsible for the Madsen Gold Project Technical Report, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Mr. O'Brien has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning, future financial or operating performance of Pure Gold and its business, operations, properties and the future price of gold, silver, copper, molybdenum and other metal prices, the potential quantity and/or grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Pure Gold's exploration property interests, the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of Pure Gold, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint arrangement partners or other third parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital; completion of expenditure obligations under an option agreement and earn-in agreements to which the Company is a party; government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain exploration licences for its properties in accordance with the requirements of applicable mining laws in Canada; government regulation of exploration and mining operations; environmental risks, including satisfaction of requirements relating to the submissions and successful defence of EIA reports and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage, future issuances of Common Shares to satisfy earn-in obligations or the acquisition of exploration properties and the timing and possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Pure Gold to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Statements relating to mineral reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral reserves and resources described exist in the quantities predicted or estimated and may be profitably produced in the future. Estimated values of future net revenue do not represent fair market value. There is no certainty that it will be commercially viable to produce any portion of the resources.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of gold, copper, silver, molybdenum and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource 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 and mineral reserves, successful resolution of the challenges to the EIAs described in this MD&A, if any, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Pure Gold and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information.

Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties; disruptions or changes in the credit or securities markets and market fluctuations in prices for Pure Gold's securities; judgement of management when exercising discretion in their use of proceeds from a financing; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Options, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; the Company is an exploration and development stage company with no history of pre-tax profit and no income from its operations and there can be no assurance that the Company's operations will be profitable in the future; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, pitwall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; Pure Gold's ability to renew existing licences and permits or obtain required licences and permits; changes in government legislation and regulation; fluctuations in commodity prices; requirements for future funding to satisfy contractual obligations and additional capital needs generally; changes or disruptions in market conditions; market price volatility; the Company currently has shareholders with greater than 10% holdings; uncertainties associated with minority interests and joint venture operations; the majority of the Company's operations occur in foreign jurisdictions; risks associated with the Company's indemnified liabilities; increased infrastructure and/or operating costs; reclamation costs; the Company has limited operating history and no history of earnings; reliance on a finite number of properties; limits of insurance coverage and uninsurable risk; contests over title to properties; environmental risks and hazards; limitations on the use of community water sources; the need to obtain and maintain licences and permits and comply with laws and regulations or other regulatory requirements; competitive conditions in mineral exploration and mining business; the ability of the Company to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integration with the Company's current business; influence of third party stakeholders; risks of litigation; the Company's system of internal controls; conflicts of interest; credit and/or liquidity risks; changes to the Company's dividend policy; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "Risk Factors" in our AIF available on Pure Gold's SEDAR profile at www.sedar.com. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

Pure Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on forward-looking information.

Approval

The Board of Directors of Pure Gold have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information relating to Pure Gold can be obtained on the SEDAR website at www.sedar.com or by contacting:

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PURE GOLD MINING INC.

/s/ “Darin Labrenz”
Darin Labrenz
President and Chief Executive Officer

PURE GOLD MINING INC.

/s/ “Sean Tetzlaff”
Sean Tetzlaff
Chief Financial Officer