

NEWS RELEASE 19-12

May 21, 2019

PURE GOLD REPORTS FIRST QUARTER FINANCIAL RESULTS

VANCOUVER, B.C. – Pure Gold Mining Inc. (TSX-V: PGM, LSE: PUR) (“Pure Gold” or the “Company”) is pleased to announce that its unaudited condensed interim consolidated financial statements (“Financial Statements”) for the first quarter ended March 31, 2019 and the accompanying Management’s Discussion and Analysis are available for download on the Company’s website at www.puregoldmining.ca at under the Company’s SEDAR profile at www.sedar.com.

Financial and Operating Highlights through and subsequent to March 31, 2019:

During the three months ended March 31, 2019 and to date, the Company completed and advanced a number of key milestones, significantly de-risking its 100%-owned Madsen Gold Mine (“**Madsen**”) which culminated in the release of a new mineral resource estimate, a feasibility study for the Madsen deposit and a preliminary economic assessment (“**PEA**”) for the Fork, Russet South and Wedge Deposits in February 2019. A summary of the highlights for the three months ended March 31, 2019 and subsequent period to date are as follows:

- On February 11, 2019, Pure Gold released the results of an independent feasibility study for the Madsen deposit¹. The feasibility study outlines a high-grade, underground mining operation with a production rate of 800 tonne per day (“**tpd**”) at modest initial capital cost and strong financial performance based upon a US\$1,275/troy ounce (“**oz**”) gold. Base case parameters in the feasibility study assume a gold price of US\$1,275/oz and an exchange rate (Canadian \$ to US \$) of 0.75. Highlights of the feasibility study include:
 - Probable Mineral Reserves of 3.5 million tonnes at 9.0 grams per tonne (“**g/t**”) gold containing 1.0 million ozs gold¹;
 - Modest initial capital requirement of \$95 million including a 9% contingency;
 - Mine life of 12.3 years with a 13-month pre-production period from a formal production decision;
 - Peak annual production of approximately 125,000 ozs with average annual gold production in years 3 through 7 of approximately 102,000 ozs;
 - Life of Mine (“**LOM**”) direct operating cash cost² estimated at US\$607 per oz of payable gold;
 - LOM all in sustaining cash cost (“**AISC**”) ³ estimated at US\$787 per oz of payable gold;
 - Pre-tax Net Present Value (“**NPV**”) at 5% and Internal Rate of Return (“**IRR**”) of \$353 million and 43% respectively with a 3.0-year payback of initial capital; and
 - After-tax NPV at 5% and IRR of \$247 million and 36% respectively with a 3.3-year payback of initial capital.

¹ See the technical report titled “**Madsen Gold Project Technical Report Feasibility Study for the Madsen Deposit and Preliminary Economic Assessment for the Fork, Russet South and Wedge Deposits Red Lake, Ontario, Canada**” for further information, available at www.puregoldmining.ca or under the Company’s Sedar profile at www.sedar.com

² Cash cost includes mining cost, mine-level G&A, milling and refining cost. This is a non-GAAP performance measure; please see “Non-GAAP Measures and Other Financial Measures” below.

³ All in sustaining cash cost adjusts cash cost for corporate G&A and sustaining capital expenditures. This is a non-GAAP performance measure; please see “Non-GAAP Measures and Other Financial Measures” below.

The feasibility study supports a high-grade underground mining operation with engineered stopes containing 1.0 million ozs of gold in probable mineral reserves. The project benefits from significant mining, milling and tailings infrastructure already in place, resulting in a project with modest capital intensity. Mining will be conducted from new ramp development utilizing a combination of cut and fill and longhole methods. A new hoist house and double drum production hoist will use the existing shaft infrastructure to lift ore and waste from the mine, commencing in year four of operations.

The proposed Madsen implementation schedule is over a period of 13 months, with underground mine development commencing approximately 9 months before the first gold pour. The project requires initial capital of \$95 million (including contingency) to support the construction of an underground mine and associated infrastructure, including the expansion of existing milling capacity to 800 tonnes of ore per day.

- On February 27, 2019 the Company announced results of a PEA for the Fork, Russet South, and Wedge deposits that demonstrates the potential to add approximately \$51 million to the Madsen after-tax net present value at an IRR 39%.

The PEA provides a blueprint of how Pure Gold might extend mine life or with further resource definition and permitting work, possibly increase the annual production profile at Madsen. The PEA represents the first conceptual expansion scenario for the future phased growth of the Madsen Mine.

Highlights of the PEA include¹:

- Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.75;
- Mine life extension of 3.7 years with total production the Fork, Russet South and Wedge deposits of 210,000 ozs of gold;
- LOM direct operating cash cost⁴ estimated at US\$557 per oz of payable gold;
- LOM AISC⁴ estimated at US\$712 per oz of payable gold;
- Pre-tax NPV_{5%} and IRR of \$79 million and 57% respectively with a 1.6-year payback of initial capital;
- After-tax NPV_{5%} and IRR of \$51 million and 39% respectively with a 2.0-year payback of initial capital; and
- Initial capital requirement of \$57 million including a 14% contingency.

The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

- On March 29, 2019 the Company closed a bought-deal private placement, pursuant to which the Company issued 7,723,975 common shares of the Company on a flow-through basis (the “FT Shares”) at a price of \$0.67 per FT Share for gross proceeds of \$5,175,063 (the “2019 Offering”). In connection

⁴ Cash costs includes mining cost, mine-level G&A, milling and refining cost. This is a Non-GAAP measure; please see Non-GAAP Measures and Other Financial Information” below.

with the 2019 Offering, the Company paid the underwriters a cash commission equal to 6.0% of the gross proceeds.

The gross proceeds from the issuance of the FT Shares will be used for “Canadian exploration expenses” and will qualify as “flow-through mining expenditures”, as those terms are defined in the Income Tax Act (Canada). The FT Shares issued under the 2019 Offering have a hold period of four months and one day from closing, expiring on July 30, 2019.

- The Company began trading on the London Stock Exchange under the symbol PUR, effective May 21, 2019.

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 Madsen which comprises in excess of 4,600 hectares of primarily patented mineral claims in the prolific Red Lake gold camp of Northwestern Ontario and hosts two significant former gold producers including the Madsen Mine which had previous gold production of 2.6 million ozs.

With the feasibility study now complete Pure Gold will continue to advance Madsen towards development. In August 2018 the Company announced that it had appointed Endeavour Financial as its financial advisor to provide advisory services with respect to debt financing for the construction and development of Madsen. This process is well advanced and discussions are underway and advancing with multiple potential financiers. Expressions of interest from financiers are anticipated by the end of May 2019.

Over the coming months, the Company will be focused on:

- Continuing work with First Nations to promote a cooperative and mutually respectful relationship concerning Pure Gold’s development plan, and to finalize an agreement to govern this relationship;
- Advancing project finance initiatives;
- Optimizing the project execution schedule, including detailed engineering, procurement and permitting;
- Continuing environmental studies and documentation to support the update and filing of existing permits and filing for additional permits that may be required; and
- Commencing detailed engineering and design activities.

The feasibility study, focused exclusively on the Madsen deposit, outlines a robust high-grade, low capital mining operation. Exploration by the Company to date has demonstrated that Madsen has outstanding potential for growth and opportunities for scalability. Key opportunities to enhance the project over the project life include:

- Potential expansion of the Madsen resource, through application of the Company’s geologic model to target extensions to the known resource, including:
- Potential conversion of the inferred resources in the Madsen deposit to measured and indicated, currently totaling 241,000 ozs of gold (0.9 million tonnes at 8.4 g/t gold¹);

- High-grade 8 Zone expansion potential beyond the reserve scheduled to commence mining in year four of operations;
- Potential depth extensions of the Madsen deposit which remains open as supported by drill hole PG17-456 which intersected 34.6 g/t gold over 4.3 metres at a depth of 1,373 metres below surface, and AD-11-01 which returned 14.3 g/t gold over 2.0 metres at a depth of approximately 2,100 metres below surface;
- Continue exploration at Fork, Russet South and Wedge, and across the plus 5 kilometre gold system at Madsen, where strong potential exists for continued growth; and
- Review and optimization of the mine plan with an opportunity for additional mine flexibility, potential for increased milling rates and annual gold production.

With the addition of the PEA for the Fork, Russet South, and Wedge deposits, Pure Gold has demonstrated the potential to either add mine life or improve annual production throughput at Madsen with further advancement of these deposits. Subject to availability of funds, the Company plans to continue exploring these zones to define further mineralization and upgrade the resource classification with the goal of determining the feasibility of adding production from these zones to the Madsen mine production profile, as early as practical, in the mine life.

Non-GAAP Measures and Other Financial Measures

Alternative performance measures are furnished to provide additional information. These non-GAAP performance measures are included in this news release because these statistics are key performance measures that management uses to monitor performance, to assess how the Company is performing, to plan and to assess the overall effectiveness and efficiency of mining operations. These performance measures do not have a standard meaning within International Financial Reporting Standards (“IFRS”) and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Selected Financial Data

The following selected financial data is derived from our Financial Statements and related notes thereto for the periods indicated, as prepared in accordance with International Financial Reporting Standards. Details of these results are described in the unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis for the three months ended March 31, 2019. These documents can be found on the Company’s website (www.puregoldmining.ca) or on SEDAR at www.sedar.com. All dollar figures are expressed in Canadian \$.

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Total Revenue	-	-
Exploration and evaluation expenditures	\$1,646,481	\$7,619,266
Net loss for the period attributable to shareholders	\$2,834,833	\$7,196,939
Total comprehensive loss for the period	\$2,834,833	\$7,196,939
Basic and Diluted Loss per Share	\$0.01	\$0.03

	March 31, 2019	December 31, 2018
Cash and short-term investments	\$7,187,562	\$4,277,624
Working capital (<i>current assets less current liabilities</i>)	\$5,616,537	\$3,817,475
Total assets	\$24,339,863	\$20,871,965
Current liabilities	\$2,008,581	\$1,019,408
Non-current liabilities	\$3,090,537	\$2,438,919
Shareholders' equity	\$19,240,745	\$17,413,638

This press release should be read in conjunction with Pure Gold's Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis for the three months ended March 31, 2019. In addition, for further information please see Pure Gold's Annual Information Form for the fiscal period ended December 31, 2018. These documents can be found on the Company's website (www.puregoldmining.ca) or under the Company's profile on SEDAR at www.sedar.com. Shareholders may receive a printed copy of the audited consolidated financial statements, free of charge, upon request.

Qualified Persons and 43-101 Disclosure

Phil Smerchanski, P. Geo., Vice President, Exploration for the Company, is the designated Qualified Person for this news release within the meaning of National Instrument 43-101 ("NI 43-101") and has reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure of same.

About Pure Gold Mining Inc.

Pure Gold is a Canadian focused gold developer. It has recently released the feasibility study for its flagship project, the Madsen Red Lake Gold deposit, which outlines a 12 year LOM, current probable reserves of one million ounces at 9 g/t Au in 3.5 million tonnes, 800 tonne per day underground mining operation with comparatively low initial capital cost of C\$95m and strong financial performance with after-tax NPV 5% of C\$247m and internal rate of return of 36%. In addition, specific exploration targets and satellite resources not considered in the feasibility study suggest an opportunity for near-term growth to potentially further enhance the economics of the project with after-tax NPV 5% of C\$51m and internal rate of return of 39%.

Additional information about the Company and its activities may be found on the Company's website at www.puregoldmining.ca and under the Company's profile at www.sedar.com.

ON BEHALF OF THE BOARD

"Darin Labrenz"

Darin Labrenz, President & CEO

Investor inquiries:

Adam Buchanan, Manager, Investor Relations

Tel: 604-646-8000

info@puregoldmining.ca

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pure Gold within the meaning of applicable securities laws, including, but not limited to statements with respect to those that address potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans, the growth potential of the Madsen Gold Project and opportunities for scalability, planned mining methods, mineral processing and sources of power, expected annual production, potential profitability of the Madsen Gold Project at lower metal prices, expected capital costs, anticipated permitting requirements and timing thereof, expected development schedule, expected timing of the completion of the Preliminary Economic Assessment for the Russet South, Fork and Wedge deposits, potential conversion of inferred resources to measured and indicated resources, potential extension and expansion of mineral resources and the focus of the Company in the coming months. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal 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, successful resolution of disputes and anticipated costs and expenditures. 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.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the interpretation of results at the Madsen Gold Project; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; the timing of future economic studies; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration as well as those factors discussed in the Annual Information Form of the Company dated March 20, 2019 in the section entitled "Risk Factors", under Pure Gold's SEDAR profile at www.sedar.com.

Although Pure Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such 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 unless required by law.