PURE GOLD MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2019

Pure Gold Mining Inc.
Management's Discussion and Analysis
For the three months ended March 31, 2019

This Management's Discussion and Analysis (the "**MD&A**"), dated May 21, 2019, is for the three months ended March 31, 2019 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 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 "**Interim Financial Statements**") and our other corporate filings including our Annual Information Form for the fiscal period ended December 31, 2018 dated March 20, 2019 (the "**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 Philip Smerchanski, 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 and the London Stock Exchange under the symbol PUR. All dollar amounts stated in this MD&A are expressed in Canadian dollars unless noted otherwise.

Previous change of fiscal year-end

To better align its financial reporting with the calendar year and that of its industry peers, during the nine months ended December 31, 2018, the Company changed its fiscal year-end to December 31, from March 31. The Company's transition year was the nine months ended December 31, 2018, and the comparative period for this MD&A is the three months ended March 31, 2018. The three months ended March 31, 2019 is the first quarter of the Company's fiscal 2019 financial year.

For additional information see Notice filed on SEDAR on December 3, 2018.

Highlights for the first quarter and significant subsequent events

During the three months ended March 31, 2019 and up to the date of this MD&A, 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 deposit[1]. 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.

[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

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 gold;[1,2]
- 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 cost[3] estimated at US$607 per oz of payable gold;
- LOM all in sustaining cash cost ("**AISC**")[4] 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.

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 of 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 include[1]:

  - 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 cost[5] estimated at US$557 per oz of payable gold;
  - LOM AISC[4] 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; and

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[2] Mineral reserve estimate effective as of February 5, 2019.
[3] 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.
[4] 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.
[5] 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.

- 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 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 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 with previous gold production of 2.5 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 working 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;
- Commencing detailed engineering and design activities; and

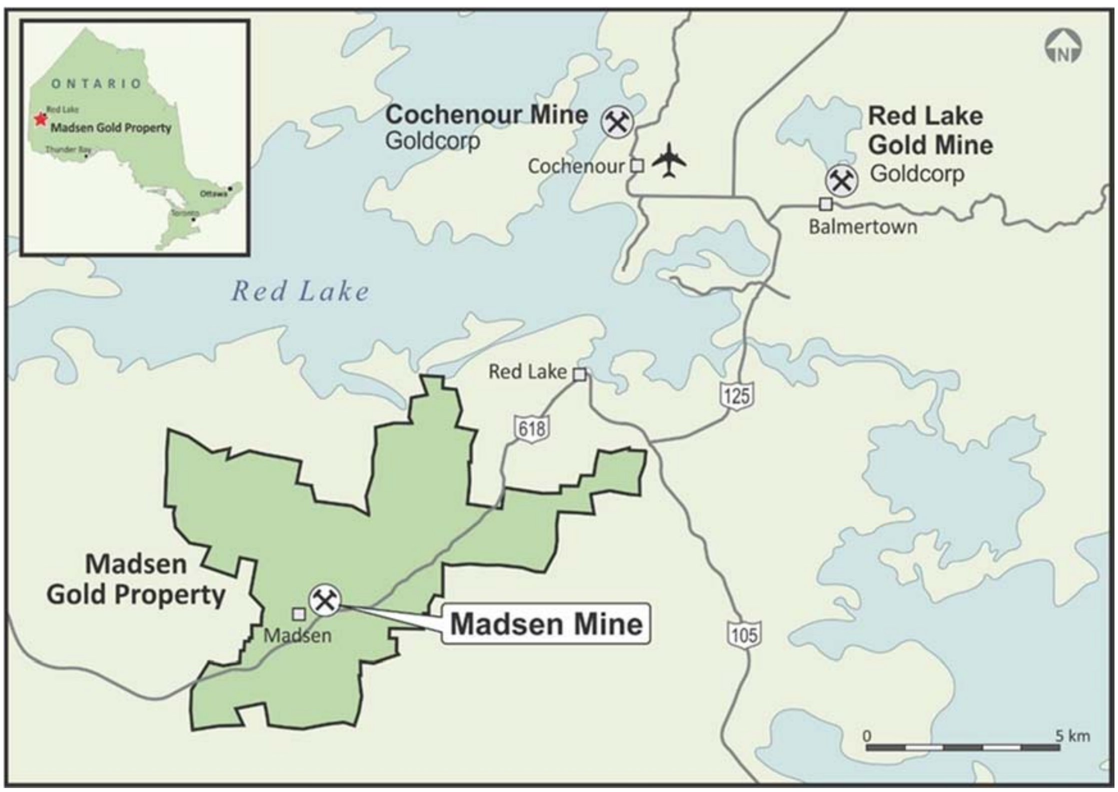
The feasibility study, focused exclusively on the Madsen deposit, outlines a robust high-grade, low capital mining operation. Exploration by the Company to date has demonstrated that Madsen has outstanding potential for growth and opportunities for scalability. Key opportunities to enhance the project 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 totalling 241,000 ozs of gold (0.9 million tonnes at 8.4 g/t gold[1]);
- 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 Russet South, Fork, 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.

<u>Madsen Gold Project, Red Lake, Ontario</u>



After a series of transactions in fiscal 2014 through 2016, Madsen now comprises 251 mining leases, mining patents and unpatented mining claims (but predominantly patented and with accompanying surface rights) owned or controlled 100% by Pure Gold, covering an area in excess of 4,600 hectares in the prolific Red Lake gold camp of Northwestern Ontario. Madsen hosts two former gold producers including the Madsen Mine.

There are no royalties payable on claims hosting known mineral resources at Madsen except for a 2% Net Smelter Royalty on resources from Russet South, that is capped at $2.0 million. Certain claims acquired in the Newman-Madsen and Derlak transactions are subject to royalties ranging from 0.5% - 3%, a portion of which may be bought back by the Company.

The Madsen Mine operated continuously from 1938 to 1974, and again from 1997 to 1999. Total recorded production is 7,872,679 metric tonnes at an average grade of 9.7 g/t gold, producing 2,452,388 ozs[6].

The second former gold producer on the Madsen property is the historic Starratt-Olsen Mine. A 450-metre shaft was constructed in 1945 and mining operations were carried out from 1948 to 1956. A total of 823,544 metric tonnes were mined at an average recovered grade of 6.17 g/t gold to produce 163,990 ozs[6]. The Starratt-Olsen Mine does not have a current mineral resource. Only limited modern day exploration has been conducted near the mine workings. Compilation of historic data at Starratt is ongoing and initial drill testing was completed by Pure Gold in late 2016 and late 2018.

On February 11, 2019, Pure Gold announced the results of its feasibility study for the Madsen deposit.[1] The feasibility study supports a high-grade underground mining operation with engineered stopes containing 1.0 million ozs of gold of Probable Mineral Reserves. The project benefits from significant mining, milling and tailings infrastructure already in place, resulting in one of the lowest capital intensity undeveloped gold projects in the world. Mining will be conducted from new 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 hoist 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 nine 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. The mine is expected to produce peak annual production of 125,000 ozs of gold with life of mine all in sustaining costs of US$787 per oz of gold, which are below industry average.

JDS Energy and Mining Inc. ("**JDS**") led the Madsen Gold Project Feasibility Study, which included input from leading consultants such as Knight Piésold Ltd., Nordmin Engineering Ltd., MineFill Services Inc., Integrated Sustainability, Lorax Environmental Services Ltd, Ginto Consulting Inc., and Equity Exploration Consultants Ltd.

Base Case Operating Highlights and Project Performance

Assumptions	
Gold Price	US$1,275/oz
Exchange Rate (Canadian $ to US$)	0.75
Production Profile	
Total Tonnes Milled	3.5 million
Diluted Head Grade	9.0 g/t gold
Total Gold Ozs Mined	1.0 million

[6] Historic drill hole results and production figures and other details from the Madsen and Starratt-Olsen mines disclosed in this document were completed prior to the implementation of National Instrument 43-101. A full discussion and cautionary language and current mineral resources can be found in the Madsen Technical Report, which can be found on Pure Gold's profile on SEDAR at www.sedar.com or at Pure Gold's website at www.puregoldmining.ca.

Mine Life	12.3 years
Daily mill commercial throughput	800 tpd
Gold Recovery	96%
Total Gold Ozs Recovered	970,000 ozs
Average Annual Gold Production	80,000 ozs
Peak Annual Gold Production	125,000 ozs
Average Annual Gold Production Years 3 – 7	102,000 ozs
Capital Requirements	
Pre-production Capital Cost	$95 million
Sustaining Capital Cost (Life of Mine)	$232 million
Operating Costs	
Unit Operating Costs (per tonne processed)	
Mining Costs	$169/tonne
Processing Costs	$32/tonne
G&A	$22/tonne
Average Cash Cost[2] Years 3-7	US$482/oz gold
LOM Average Cash Cost[2]	US$607/oz gold
LOM All In Sustaining Costs[3]	US$787/oz gold
Project Economics	
Royalties	None
Corporate Income Tax / Ontario Mining Tax	25% / 10%
Pre-Tax	
NPV (5% Discount Rate)	$353 million
Internal Rate of Return	43%
Payback Period (years)	3.0
Cumulative Cash Flows	$537 million
Post-Tax	

NPV (5% Discount Rate)	$247 million
Internal Rate of Return	36%
Payback Period (years)	3.4
Cumulative Cash Flows	$383 million

Gold Price Sensitivity

Gold Price (US$/oz)	$1,100	$1,200	$1,275[1]	$1,300	$1,400	$1,500
Pre-Tax $NPV_{5\%}$ ($Millions)	$192	$284	$353	$376	$468	$560
After-Tax $NPV_{5\%}$ ($Millions)	$135	$199	$247	$263	$326	$390
Pre-Tax IRR	28%	36%	43%	45%	53%	61%
After-Tax IRR	23%	31%	36%	38%	45%	51%

Sensitivity After-Tax $NPV_{5\%}$ ($Millions)

%	-15	-10	-5	0	5	10	15
Capital cost Sensitivity	$287	$274	$260	$247	$234	$220	$207
Operating cost Sensitivity	$304	$285	$266	$247	$228	$209	$190

Sensitivity After-Tax IRR (%)

%	-15	-10	-5	0	5	10	15
Capital cost Sensitivity	45%	42%	39%	36%	33%	31%	29%
Operating cost Sensitivity	42%	40%	38%	36%	34%	32%	30%

The feasibility study results show that the Madsen has the potential to remain strongly profitable at lower metal prices and is robust across a range of capital and operating cost sensitivities.

Mineral Resource

The Company's February 2019 mineral resource estimate forms the basis for the feasibility study. The resource estimate, prepared by Ginto Consulting Inc. is based upon the mineral resource estimate disclosed on February 5, 2019, which contains the results of 14,822 core drill holes. Of those, 13,258 drill holes informed the resource estimate with an overall average spacing of 6.4 metres in the high-grade domains.

The updated mineral resource estimate for Madsen is reported at a 4.0 g/t gold cut-off effective February 5, 2019.

Mineral Resource Statement for Madsen Gold Project*

Resource Classification	Tonnes	Grade (Gold g/t)	Contained Gold (ozs)
Indicated	7,196,000	8.9	2,063,000
Inferred	1,880,000	7.7	467,000

* Reported mineral resources are inclusive of mineral reserves declared below. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category. All figures have been rounded to reflect the relative precision of the estimates. Mineral Resources are reported at a cut-off grade of 4.0 g/t gold.

Mining and Mineral Reserves

The feasibility study mine plan utilizes a combination of conventional cut & fill (59%), mechanized cut & fill (16%) and longhole mining (25%) methods to extract mineral reserves. Preliminary mining shapes were developed using Mineable Shape Optimizer (MSO) using variable cut-offs from 4.00 to 4.75 g/t gold. These were used to guide development of the feasibility mine design plan. Final stope shapes and mine access development were individually modelled and evaluated to form the final mineable reserve. A mining recovery of 95% and dilution of various percentages depending upon mining method have been assumed for retained tonnes forming part of the mine plan. The total probable reserve mined over the course of the mine life is 3.5 million tonnes at an average diluted head grade of 9.0 g/t for 1.0 million ozs of gold.[1]

All ramp and level waste development are to be performed by an owner-operated fleet of one and two boom electric hydraulic drill jumbos, 3.0 cubic-metre bucket LHD's, 20 tonne haul trucks, scissor lift/bolters and other rubber-tired support equipment. Mining will be facilitated by a combination of diesel and battery-powered equipment, with diesel equipment being utilized for upper levels of the mine prior to refurbishment of the existing shaft and installation of a new double-drum production hoist. The use of battery-powered equipment in the mine will eliminate emissions associated with the movement of ore and waste and will result in materially reduced ventilation and heating requirements.

The probable mineral reserves were based exclusively on Indicated mineral resources from the Madsen deposit. Mineral resources from Fork, Russet South, and Wedge were not considered for the feasibility study but are considered in the Preliminary Economic Assessment of these deposits, as discussed below.

Probable Mineral Reserves for the Madsen deposit of the Madsen Gold Project[1,2,3,4,5]

Class	Diluted Tonnage (kt)	Gold Grade (g/t)	Contained Gold (ozs)
Probable	3,512	8.97	1,013,000
Total	3,512	8.97	1,013,000

Notes:
1) The Qualified Person for the Mineral Reserve estimate is Michael Makarenko, P. Eng., of JDS Energy & Mining Inc.
2) Effective date: February 11, 2019. All Mineral Reserves have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum (CIM) definitions, as required under NI 43-101.
3) Mineral Reserves were estimated using a US $1,275 /oz gold price and gold cut-off grade of 4.75 g/t for all mining zones with the exception of McVeigh which used a cut-off grade of 4.0 g/t. Other costs and factors

used for gold cut-off grade determination were mining, process and other costs of $226.00/t, transport and treatment charges of $6.00 /oz Au, CAD:USD exchange rate of 0.78 and a gold metallurgical recovery of 95%.
4) Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places. Tonnage and grade measurements are in metric units; contained gold is reported as thousands of troy ounces.
5) Rounding as required by reporting guidelines may result in summation differences.

**Numbers may not add due to rounding*

Processing
The feasibility study is based on upgrading the existing mill and tailings management facility to achieve mill production of 800 tpd. Upgrades include modernization of controls and instrumentation, installation of new pumps, two new batch gravity concentrators as well as expansion of the grinding circuit through replacement of the existing ball mill to achieve forecast productivity.

The process plant will include one stage of crushing and two stages of grinding to achieve a final grind size of 75 micrometres. Based on recent metallurgical test work, the optimized flowsheet will include gravity concentration followed by cyanide leach, carbon adsorption/desorption and electrowinning with an overall recovery of 96% expected on a mill feed that will average 9.0 g/t gold over the life of mine. The product from electrowinning will be refined in an induction furnace to produce gold doré bars. Leached slurry from the CIP circuit will be treated with the SO_2/Air cyanide destruction process, and the final tailings will be processed and utilized underground as hydraulic fill or pumped to the tailings facility.

Capital Costs
The Madsen Mine benefits from significant existing infrastructure resulting in a very low capital intensity project. Total pre-production capital cost ("**capex**") is estimated at $94.7 million (US$71.0 million at 0.75 *(C$ to US$)*), inclusive of an $8.1 million contingency. The total LOM capex is $327 million (US$245 million at 0.75 *(C$ to US$)*), inclusive of closure costs.

Underground mining and haulage are anticipated to be completed using an owner-operator development model operating 365 days per year. LOM purchased equipment results in higher capital expenditures but offers lower long-term operating costs, greater flexibility and better cash flows.

Life of mine sustaining capital costs are estimated at $232 million with most of the costs associated with underground waste development.

Capital Costs*	Pre-Production ($Millions)	Sustaining ($Millions)	Total ($ Millions)*
Mining	31	209	240
Site Development	1	-	1
Mineral Processing	17	-	17
Tailings Management	4	8	12
Site Services	18	1	18
Closure (less salvage)	-	12	12
Indirects	6	-	6

EPCM	7	-	7
Owner's Costs	3	-	3
Subtotal	87	230	317
Contingency	8	2	10
Total Capital Costs	95*	232*	327*

**Numbers may not add due to rounding*

Unit and total operating costs were estimated for the Madsen Gold Project over the life of the project. Operating costs were developed from first principles for mining, processing, and administration using the mine plan, incorporating development rates, labour, materials, consumables, and certain contract services.

Mine operating cost is estimated at $169/t processed. Primary operating costs for mining include labour ($98/t) and consumables ($38/t). Processing costs are estimated at $32/t, general and administrative costs at $22/t processed.

Operating Costs

Operating Costs	$/t processed	US$/oz gold
Mining	169	458
Processing	32	88
General and Administration	22	59
Refining and Transport	1	2
Total Cash Cost[3]	224	607
Sustaining Capital (including closure)	66	180
All in Sustaining Costs[4]	290	787

Project Enhancement Opportunities

The feasibility study, focused exclusively on the Madsen Deposit, outlines a high-grade, low capital mining operation with 1.0 million ozs of Probable Mineral Reserves. Exploration by the Company to date has demonstrated that the Madsen Gold Project has outstanding potential for growth and opportunities for scalability. Key opportunities include:

- The feasibility study does not consider mineral resources at Fork, Russet South, or Wedge. A Preliminary Economic Assessment of these additional resources demonstrates the potential to add approximately $51 million to Madsen's after-tax net present value;
- Expansion of the Madsen Mine resource, through application of the Company's geologic model to target extensions to the known resource, including potential;
  - o Conversion of the inferred resources in the Madsen deposit to measured and indicated, currently totaling 241,000 ozs (0.9 million tonnes at 8.4 g/t gold)
  - o Extensions to the high-grade 8 Zone which remains open for expansion and is scheduled to commence mining in year four of operations
  - o 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;[1]

- Continue exploration at Russet South, Fork, Wedge, and across the +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.

Environmental and Permitting

The Company benefits from existing environmental authorizations and permits which allow for operation of a 1,089 tpd mill and CIP circuit with discharge of treated tailings to the existing tailings facility, dewatering via the existing shaft, and a mine closure plan. Certain permits will require updating or amendments prior to the commencement of new mining activities including the existing Certificate of Approval ("C of A") for industrial Sewage Works (tailings and effluent), the C of A for Air and Noise, and the mine closure plan. Baseline studies and documentation for these amendments are well advanced, with the first amendment filed in August of 2018 (C of A for Air and Noise). The Company does not expect that an Environmental Assessment is required and the Company anticipates having all the required permits for production in place by Q4 2019 or earlier.

Potential Madsen Development Schedule

The proposed project development allows for 13 months for the project execution, which includes de-watering, pre-production mine development, procurement, construction and commissioning. Project execution is wholly dependent upon the Company raising sufficient funds however, assuming the project execution starts in June of 2019, the first gold production would be expected in July of 2020.

Key project execution schedule milestones include the following:

- Start shaft dewatering month 2
- Construction start month 3
- Begin Mining development month 4
- Permit amendments in place month 7
- Processing plant expansion complete month 12
- First gold production month 13

PEA on Fork, Russet South and Wedge Zones

On February 27, 2019, Pure Gold issued the results of a PEA for its Fork, Russet South, and Wedge zones. The PEA demonstrated the potential to add approximately $51 million to the Madsen after-tax net present value.[7] As a result of high gold grades, near surface resources, and use of existing infrastructure, mining of these zones could potentially yield an after-tax IRR of 39%.

The PEA provides a blueprint of how the Company might expand the mine life or the annual production profile at Madsen and illustrates just how impactful and accretive new discoveries can be to the future of the project.

The PEA 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 of 210,000 ozs of gold;

- LOM direct operating cash cost[3] estimated at US$557 per oz of payable gold;
- LOM AISC[4] 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; and
- After-tax $NPV_{5\%}$ and IRR of $51 million and 39% respectively with a 2.0-year payback of initial capital;
- Initial capital requirement of $57 million including a 14% contingency.

[7] See press release dated February 27, 2019, for complete details about the release available on the Company's website at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

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.

The PEA evaluated a range of mine plans from 400 tpd to 800 tpd and considered ramping up throughput to concurrently process the material from the PEA with the above noted Madsen Probable Reserve. However, unless the Inferred Resources from Russet South, Fork and Wedge are converted to Indicated, the only scenario the PEA could contemplate is to conceptually mine the three deposits after the end of the feasibility mine plan. Pure Gold intends to continue work to upgrade and expand mineral resources so that further mine plan optimizations may be advanced.

The PEA mine plan evaluates underground mining of the three deposits, with separate portal and ramp systems established to access the mineral resources. The PEA mine plan relies on the surface and milling infrastructure described in the Madsen feasibility study. Mining will be conducted concurrently from Fork, Russet South, and Wedge to support a milling rate of 800 tpd. At Russet South, only the shallow portion of the mineral resource was considered to fit for the 800 tpd base case, excluding approximately 52,400 potential ounces from the base case plan.

The PEA implementation schedule spans a period of 12 months, with portal construction and underground mine development at the three deposits commencing approximately 12 months before the first gold pour. The project requires initial capital of $57 million (including contingency) to support the construction of the underground mines and associated infrastructure. The mine plan is expected to produce 210,000 ozs over LOM with all in sustaining costs of US$712/oz gold, which are below industry averages.

JDS Energy and Mining Inc. led the PEA, which included contributions from industry-leading consultants such as Knight Piésold Ltd., Lorax Environmental Services Ltd, Ginto Consulting Inc., and Equity Exploration Consultants Ltd.

Base Case Operating Highlights and Project Performance - PEA

Assumptions	
Gold Price	US$1,275/oz
Exchange Rate (C$ to US$)	0.75
Production Profile	
Total Tonnes Milled	1.1 million
Diluted Head Grade	6.4 g/t gold
Total Gold Ozs Mined	219,000
Mine Life	3.7 years
Daily mill commercial throughput	800 tpd
Gold Recovery	96%
Total Gold Production	210,000 oz
Capital Requirements	
Pre-production Capital Cost	$57 million
Sustaining Capital Cost (Life of Mine)	$43 million
Operating Costs	
Unit Operating Costs (per tonne processed)	
Mining Costs	$92/tonne
Processing Costs	$32/tonne
G&A	$20/tonne

LOM Average Cash Cost[3]	US$557/oz gold
LOM All in Sustaining Cash Cost[4]	US$712/oz gold
Project Economics	
Royalties	Russet South – 2% NSR capped at $2M
Corporate Income Tax / Ontario Mining Tax	25% / 10%
Pre-Tax	
NPV (5% Discount Rate)	$79 million
Internal Rate of Return	57%
Payback Period (years)	1.6
Cumulative Cash Flows	$100 million
Post-Tax	
NPV (5% Discount Rate)	$51 million
Internal Rate of Return	39%
Payback Period (years)	2.0
Cumulative Cash Flows	$68 million

Gold Price Sensitivity - PEA

Gold Price (US$/oz)	$1,100	$1,200	$1,275	$1,300	$1,400	$1,500
Pre-Tax $NPV_{5\%}$ ($M)	$37	$61	**$79**	$85	$108	$132
After-Tax $NPV_{5\%}$ ($M)	$22	$39	**$51**	$55	$71	$88
Pre-Tax IRR	31%	46%	**57%**	60%	74%	88%
After-Tax IRR	20%	31%	**39%**	41%	52%	62%

Sensitivity After-Tax NPV (5%) ($Millions) - PEA

%	-15	-10	-5	0	5	10	15
Capital cost Sensitivity	$65	$60	$55	**$51**	$46	$42	$37
Operating cost Sensitivity	$65	$60	$56	**$51**	$46	$42	$37

Sensitivity After-Tax IRR (%) - PEA

%	-15	-10	-5	0	5	10	15
Capital cost Sensitivity	54%	49%	43%	**39%**	34%	30%	27%
Operating cost Sensitivity	47%	45%	42%	**39%**	36%	33%	30%

Mineral Resource – PEA

The Company`s mineral resource estimate, prepared by Ginto Consulting Inc. and disclosed above, forms the basis for the PEA. Indicated and Inferred Mineral Resources from the Fork, Russet South, and Wedge deposits were considered for the PEA.

Mining – PEA

Multiple scenarios from 400 to 800 tpd were completed to evaluate and schedule the mineral resources of the PEA into a mine plan. A 400 tpd scenario considered ramping up throughput to concurrently process material from the feasibility mine plan, Fork, Russet South, and Wedge, however the PEA considers Inferred Resources and unless they are converted to Indicated and until future study work is completed, any potential processing must occur after the end of the feasibility study mine plan. As such the 800 tpd scenario was selected as the base case mine plan as it optimizes the Madsen feasibility study design plant capacity.

Deeper portions of Russet South included in the 400 tpd case were not considered in the 800 tpd case, due to the timing to develop this area. A total of 52,437 ozs (196,289 tonnes grading 8.31 g/t gold) was excluded from the 800 tpd mine plan. Ramp access was selected due to the near surface nature of these deposits. The PEA mine plan utilizes a combination of development on mineralization (17%), mechanized cut & fill (15%), and longhole mining (68%) methods to extract mineral resources. Mineral Resources forming the selected base case 800 tpd schedule are comprised of 58% Indicated and 42% Inferred and are sourced from Wedge (50%), Fork (34%), and Russet South (16%). Both the 400 tpd case and the selected base case 800 tpd mine plan are shown below.

PEA 400 tpd Mine Schedule

Year	Waste Tonnes	Resource Tonnes	Contained Gold (oz.)		Year	Waste Tonnes	Resource Tonnes	Contained Gold (oz.)
Pre-Production	342,555	-	-					
Year 1	418,183	144,000	29,098		Year 7	675	144,000	22,863
Year 2	261,193	144,000	37,943		Year 8	7,254	144,000	19,646
Year 3	69,546	144,000	35,025		Year 9	2,073	81,927	10,429
Year 4	3,857	144,000	39,041		Year 10	9,438	15,334	2,771
Year 5	2,214	144,000	39,353		Year 11	2,122	10,414	2,213
Year 6	1,961	144,000	32,926		**Total**	**1,121,071**	**1,259,675**	**271,308**

PEA Base Case Mine Schedule – 800 tpd

Year	Waste Tonnes	Resource Tonnes	Contained Gold (oz.)
Pre-Production	350,767	-	-
Year 1	351,605	288,000	62,499
Year 2	251,867	288,155	62,088
Year 3	40,222	288,000	69,726
Year 4	1,560	199,232	24,557
Total	**996,022**	**1,063,386**	**218,870**

Processing - PEA

The PEA utilizes the same flow sheet developed for the Madsen feasibility study and will accommodate additional tailings with lifts of 2 to 4 metres to the polishing pond dams. Overall metallurgical recoveries for the mine plan are expected to be 96%, based on new test work conducted on recent drill core from the Russet South, Fork and Wedge deposits.

Capital Costs – PEA

Total pre-production capital cost is estimated at $57 million, inclusive of a $7.1 million contingency. The total life of mine capex is $101 million, inclusive of incremental closure costs.

Underground mining and haulage use an owner-operator development model operating 365 days per year. LOM sustaining capital costs are estimated at $43 million with most of the costs associated with underground mine development.

Capital Costs	Pre-Production ($Millions)	Sustaining ($Millions)	Total ($Millions)
Mining	42	42	85
Site Development	1	-	1
Mineral Processing	-	-	-
Tailings Management	1	-	1
Site Services	3	-	3
Closure (less salvage)	-	1	1
Indirects	1	-	1
EPCM	1	-	1
Owner's Costs	1	-	1
Subtotal	**50**	**43**	**93**
Contingency	7	0	7
Total Capital Costs	**57***	**43***	**101***

**numbers may not add due to rounding*

Unit and total operating costs were estimated for the PEA over the life of the project. Operating costs were developed for mining, processing, and administration using the mine plan, incorporating development rates, labour, materials, consumables, and certain contract services.

Mine operating cost is estimated at $92/t processed. Processing costs are estimated at $32/t, general and administrative costs at $20/t processed.

Operating Costs - PEA

Operating Costs	$/t processed	US$/oz gold
Mining Cost	92	351
Processing Cost	32	122
G&A Cost	20	77
Refining, Transport and Royalties	2	7
Total Cash Cost[3]	**146**	**557**
Sustaining Capital (including closure)	41	155
All in Sustaining Cash Cost[4]	**187**	**712**

PEA Project Enhancement Opportunities

The PEA confirms that Fork, Russet South, and Wedge have the potential to be economically viable. While the PEA is based on a subset of the 206,000 ozs gold Indicated and 226,000 ozs gold Inferred at Fork, Russet South and Wedge, Pure Gold's exploration success to date demonstrates potential to add additional resources in each of these areas. Additionally, if existing resources were upgraded to indicated, it would allow the Company to study an opportunity for concurrent mining through an increase in throughput, though there is no certainty that resources will be upgraded to indicated or converted into reserves. Specific opportunities include:

- Exploration drilling with the goal of converting inferred resources to indicated and expanding the mineral resource;
- Evaluation of concurrent mining with an opportunity to improve the production profile at Madsen and to allow for opportunities to mine the deeper resource at Russet South where 196,289 tonnes at a grade of 8.3 g/t gold was excluded from the 800 tpd mine plan.

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 MD&A 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 or as a substitute for measures of performance prepared in accordance with IFRS.

Exploration and development plans for the coming year

For the three months ended March 31, 2019, the Company expensed a total of $1.6 million on exploration and evaluation expenditures. The bulk of these expenditures centred around engineering studies supporting the completion of the feasibility study and the PEA on the Russet South, Fork and Wedge deposits.

Starting in May 2019, the Company will continue exploring the Fork, Russet South, and Wedge deposit areas with the goal of defining additional gold mineralization and upgrading the resource classifications to support the determination of the feasibility of adding production from these zones to the Madsen mine production profile.

An initial 12,000 meters of drilling with two drill rigs is planned for the 2019 exploration program and is expected to be largely directed at the Wedge deposit and along strike extensions, with a limited amount of focussed work at the Fork and Russet South deposits. Additionally, drilling is planned at the Fork EXT target which is located down-plunge of the near-surface Fork deposit and hosts strong alteration, blue-grey quartz veins, and anomalous gold in limited drill testing. The Fork EXT target is hosted along the upper contact of the Russet Lake Ultramafic unit in an analogous target setting to the high grade 8 Zone of the Madsen deposit. Surface mapping and rock sampling programs will continue in 2019 in an effort to prepare a further 24 high priority exploration targets across the Madsen Property for future discovery drilling. The budget for the balance of 2019 for these activities is approximately $5.2 million.

<u>Other Mineral Properties Portfolio</u>

On March 12, 2018, the Company signed an option agreement with KG Exploration Canada Inc. ("**Kinross**") a subsidiary of Kinross Gold Corp. whereby Kinross has the option to acquire up to a 70% interest in the Company's Van Horne property. To earn its 70% interest Kinross must spend a total of $4 million on Van Horne over a four-year period and pay to Pure Gold $100,000 with a committed minimum of $750,000 in year one.

Kinross has advised the Company that it will explore Van Horne in 2019 with a total planned budget of $1.0 million.

Selected Financial Information

Management is responsible for the Interim Financial Statements referred to in this MD&A, and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Audit Committee of the Company's Board of Directors (the "Board") has been delegated the responsibility to review and approve the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with Pure Gold's audited consolidated financial statements for the fiscal period ended December 31, 2018 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Our significant accounting policies are presented in Note 3 of the Annual Financial Statements. Details of new accounting standards, effective for the reporting period beginning January 1, 2019, and their effect on the financial information are discussed within this MD&A in the section entitled "New Pronouncements".

The Company's policy is to expense all exploration and evaluation expenditures relating to our mineral exploration property interests.

The financial data presented below for the current and comparative periods was derived from the financial statements prepared in accordance with IFRS. Pure Gold raises its financing and incurs head office expenses in Canadian dollars and therefore, it has been determined to have a Canadian dollar functional currency.

The Company's operations are in one industry – the exploration for gold, and other precious and base metals. As of May 14, 2019, Pure Gold has one geographic location being Canada. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information to a user.

Results of Operations

The following financial data are derived from our Interim Financial Statements for the three months ended March 31, 2019 and 2018, respectively:

	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

Three Months ended March 31, 2019 vs. Three Months ended March 31, 2018

Net loss and comprehensive loss for the three months ended March 31, 2019 totaled $2.8 million compared to $7.2 million for the same period in the prior year. The most significant contributors to the loss for the periods ended March 31, 2019 and 2018, were (i) exploration and evaluation expenditures, (ii) share based compensation, (iii) wages, consulting and directors fees (iv) investor relations and communication expenditures (v) office and rent expenses, (vi) professional fees and (viii) income tax recoveries. Explanations for material variances period over period are described below.

Exploration and evaluation expenditures fell to $1.6 million for the three months ended March 31, 2019, compared to $7.6 million for the same period in the prior year.

The Company's exploration and development activities at Madsen during the three month period ended March 31, 2019 included the completion of the feasibility study and PEA on the Russet South, Fork and Wedge deposits. During the three months ended March 31, 2018, the Company was conducting a surface and underground drilling program in addition to conducting engineering studies associated with the feasibility study.

Professional fees increased to $0.2 million for the three months ended March 31, 2019, compared to $0.1 million for the same period in the prior year. Professional fees have increased as the Company engaged financial advisors to evaluate its various strategic alternatives and identify and engage potential project finance partners.

Share-based compensation expense decreased to $0.1 million for the three months ended March 31, 2019, compared to $0.3 million in the same period in the prior year, reflecting the fewer number of vesting options. Share-based compensation expense relates to grants from current and previous periods in which stock options were granted to directors, employees and consultants. The Company did not grant any stock options during the three months ended March 31, 2019 or the three months ended March 31, 2018. Stock options previously granted to employees and consultants were subject to vesting restrictions over a three year period with the corresponding share-based compensation expense being recognized over this period.

Generally, share-based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options have fully vested or are cancelled in a period. In determining the fair market value of share-based compensation granted to directors and employees, management makes significant assumptions and estimates. These estimates have an effect on the share-based compensation expense recognized and the equity reserves balance on our statements of financial position. Management has made estimates of the life of the options, the expected volatility and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the options and analyzing share price history from that of a peer group to determine volatility.

The net loss for the quarter ended March 31, 2018 was reduced due to a $1.5 million deferred income tax recovery from the partial reversal of the two flow-through share premium liabilities recognized in relation to the November 2017 financing as the expenditures were renounced in February 2018.

Financial Position

The following financial data are derived from our Interim Financial Statements for the three months ended March 31, 2019 and our Annual Financial Statements as at December 31, 2018.

	As at March 31, 2019	As at December 31, 2018
Total assets	**$ 24.3 million**	$ 20.9 million
Current liabilities	**$ 2.0 million**	$ 1.0 million
Non-current liabilities	**$ 3.1 million**	$ 2.4 million
Cash dividends declared	**$ -**	$ -

Total assets increased by $3.4 million as at March 31, 2019 in comparison to December 31, 2018 primarily due to cash received from the 2019 Offering totaling $5.2 million, net of share issuance costs of $0.5 million, and stock option exercise proceeds of $0.7 million, partially offset by operating expenditures totalling $2.7 million. In addition, upon adoption of IFRS 16 on January 1, 2019, the Company recognized a right-of-use asset of $0.7 million in regards to its head office lease (see "*New, Amended and Future IFRS Pronouncements*" section below).

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.

Current liabilities increased by $1.0 million to $2.0 million at March 31, 2019 compared to $1.0 million at December 31, 2018. Accounts payable and accrued liabilities remained consistent during the three month period. The Company recognized a flow-through share premium liability of $0.9 million in regards to the 2019 Offering. Additionally, upon adoption of IFRS 16, the Company recognized a current lease liability of $0.1 million in regards to its head office lease.

Non-current liabilities increased by $0.7 million between December 31, 2018 and March 31, 2019 due to, upon adoption of IFRS 16, the recognition of the long-term portion of the Company's lease liability relating to its head office lease of $0.6 million, as well as a change in the discount rate used to calculate the Company's provision for closure and reclamation.

Shareholders' Equity

During the three months ended March 31, 2019, the Company issued 7,723,975 common shares pursuant to the 2019 Offering and 2,110,000 common shares upon the exercise of employee, director, and consultant stock options with a weighted average exercise price of $0.34.

Refer also to the 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 derived from and should be read in conjunction with the Annual Financial Statements of Pure Gold and the interim condensed consolidated financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting including IAS 34. 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 Financial Information".

	For the three months ended (000's except per share data)							
	Mar 31, 2019	**Dec 31, 2018**	**Sep 30, 2018**	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**
Total revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	$2,834	$6,491	$8,192	$8,203	$8,745	$7,001	$7,428	$7,606
Net loss For the period	$2,835	$6,104	$8,102	$7,695	$7,197	$3,976	$7,415	$7,573
Total comprehensive loss for the period	$2,835	$6,104	$8,102	$7,695	$7,197	$3,976	$7,415	$7,573
Basic and diluted loss per share	$0.01	$0.02	$0.03	$0.03	$0.03	$0.02	$0.04	$0.04

The Company's net loss for the quarter ended March 31, 2019 decreased by 53% compared to the net loss for the quarter ended December 31, 2018, while total expenses decreased by 56%. During the quarter ended March 31, 2019, the Company's exploration expenditures of $1.6 million were primarily focused on completion of the feasibility study and the PEA on the Russet South, Fork and Wedge deposits, while during the quarter ended December 31, 2018, the Company's exploration expenditures of $4.9 million included continued work on the feasibility study and the PEA, the completion of the bulk sample program in November 2018, and 2,789 metres of surface exploration drilling. The net loss for the quarter ended December 31, 2018 was reduced due to a $0.4 million deferred income tax recovery from the reversal of the flow-through share premium liability recognized in relation to the May 2018 financing as the expenditures were completed and renounced during the quarter.

The Company's net loss for the quarter ended December 31, 2018 decreased by 25% compared to the net loss for the quarter ended September 30, 2018, while total expenses decreased by 21%. The decrease in expenses is primarily due to the completion of the bulk sample program in November 2018, and fewer metres of surface exploration drilling (2,789 metres compared to 4,836 metres) in the quarter ended September 30, 2018. The net loss for the quarter ended December 31, 2018 was also reduced due to a

$0.4 million deferred income tax recovery from the reversal of the flow-through share premium liability recognized in relation to the May 2018 financing as the expenditures were completed and renounced during the quarter.

The Company's net loss for the quarter ended September 30, 2018 increased by 5% compared to the net loss for the quarter ended June 30, 2018, while total expenses remained steady from the previous quarter. Exploration expenditures in the quarter ended September 30, 2018 were comprised of increased expenses related to the feasibility study and bulk sample program, and 4,836 metres of surface exploration drilling, while expenditures in the quarter ended June 30, 2018 included 10,621 metres of surface drilling. The net loss for the quarter ended June 30, 2018 was reduced due to a $0.4 million deferred income tax recovery from the reversal of the remaining flow-through share premium liabilities recognized in relation to the November 2017 financing as the expenditures were completed during the quarter.

The Company's net loss for the quarter ended June 30, 2018 increased by 7% compared to the net loss for the quarter ended March 31, 2018, while total expenses decreased by 6%. The decrease in expenses is primarily due the decrease in exploration and evaluation expenditures of $0.3 million due to fewer metres drilled in the first quarter of fiscal 2019, partially offset by additional expenditures related to the bulk sample program and DFS, as well as a $0.1 million decrease in investor relations expenditures. The net loss for the quarter ended March 31, 2018 was reduced due to a $1.5 million deferred income tax recovery from the partial reversal of the two flow-through share premium liabilities recognized in relation to the November 2017 financing as the expenditures were renounced in February 2018. The net loss for the quarter ended June 30, 2018 was reduced due to a $0.4 million deferred income tax recovery from the reversal of the remaining flow-through share premium liabilities recognized in relation to the November 2017 financing as the expenditures were completed during the quarter.

The Company's net loss for the quarter ended March 31, 2018 increased by 81% compared to the net loss for the quarter ended December 31, 2017, while total expenses increased by 25%. The increase in expenses is primarily due the increase in exploration and evaluation expenditures of $2.2 million due to additional metres drilled in the fourth quarter of fiscal 2018, as well as expenditures related to the feasibility study which commenced in December 2017, partially offset by a $0.6 million decrease in share-based compensation. The net loss for the quarter ended March 31, 2018 was reduced due to a $1.5 million deferred income tax recovery from the partial reversal of the two flow-through share premium liabilities recognized in relation to the November 2017 financing as the expenditures were renounced in February 2018. The net loss for the quarter ended December 31, 2017 was reduced due to a $3.0 million deferred income tax recovery from the reversal of the flow-through share premium liability recognized in relation to the February 2017 financing as the expenditures were completed and renounced in calendar 2017.

The Company's net loss for the quarter ended December 31, 2017 decreased by 47% compared to the net loss for the quarter ended September 30, 2017, while total expenses decreased 6%. The decrease in expenses is primarily due to the completion of the Company's 2017 drilling program in early December, leading to a reduction in exploration and evaluation expenditures of $1.2 million, partially offset by a $0.6 million increase in share-based compensation. The net loss for the quarter ended December 31, 2017 was reduced due to a $3.0 million deferred income tax recovery from the reversal of the flow-through share premium liability recognized in relation to the February 2017 financing as the expenditures were completed and renounced in calendar 2017.

The Company's net loss for the quarter ended September 30, 2017 decreased by 2% compared to the net loss for the quarter ended June 30, 2017, while total expenses decreased 2%. The decrease in expenses is primarily due to a reduction in exploration and evaluation expenditures of $0.3 million. The reduction is a result of fewer metres drilled due to the near completion of the 70,000 metre Phase I exploration program, leading to a $1.5 million decrease in drilling expenditures during the quarter. This decrease was partially offset by an increase in engineering expenditures of $0.9 million in relation to work underground at the Madsen Portal, as well as an increase of $0.3 million in expenditures on the historical core capture program.

The Company's net loss for the quarter ended June 30, 2017 increased 1% compared to the net loss for the quarter ended March 31, 2017, while total expenses decreased 10%. The decrease in expenses is primarily due to a reduction in metres drilled due to the focus during the current quarter of the 70,000 metre

Phase I exploration program on testing deeper targets, resulting in a $0.8 million decrease in exploration and evaluation expenditures from the previous quarter. The net loss for the quarter ended March 31, 2017 was reduced due to a $0.9 million deferred income tax recovery from the reversal of the Flow Through Share premium liability recognized in relation to the June 2016 Flow Through Share financing as the expenditures were completed in calendar 2016 and renounced in January 2017.

Liquidity and Capital Resources

As at the date of this MD&A, the Company has approximately $6.1 million in cash and short-term investments. The Company's working capital balance (defined as current assets less current liabilities) as at the date of this MD&A is approximately $5.8 million ($6.7 million excluding the flow-through premium liability of $0.9 million). There are no known restrictions on the ability of our subsidiary to transfer or return funds to the Company.

We have no revenue-producing operations and earn only minimal income through investment income on treasury, amounts arising through various property option agreements and occasionally as a result of the disposal of an exploration asset. The Company is therefore reliant on public equity and debt markets to obtain financing to continue its operations.

We have not issued any dividends and management does not expect this will change in the near future.

Pure Gold tries to adjust its capital structure based on available funds in order to support acquisition, exploration and development of its mineral properties. The Madsen Gold Project is the Company's only property with a positive feasibility study, but it has not yet been developed or constructed. We are wholly 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 dated March 20, 2019 under the heading "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.

Historically the Company has had operating losses and negative cash flows from operations while positive cash inflows were a result of primarily equity financings. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain. The Company is also uncertain whether it can obtain financing to complete the development and construction of Madsen. These uncertainties may impact the Company's ability to continue as a going concern.

The Company will need to raise capital in order to fund its operations. The recently issued feasibility study indicated a minimum of $95 million in capital was required to build Madsen plus an amount for non-project general and administrative expenses. This need may be adversely impacted by: uncertain market conditions, approval by regulatory bodies, and uncertain reactions to the Company's feasibility study. To address its financing requirements, the company may seek financing through debt and equity financings, or other financial strategies common in the mining industry such as a royalty sale or metal stream.

The Company has engaged Endeavour Financial to assist it in securing project financing for the Madsen Gold Project. In addition, management believes the listing of the Company's common shares on the LSE may lead to interest from new potential investors as the Company seeks its needed capital.

Contractual Obligations

The Company has entered into an Amended Technical and Administrative Services Agreement (the "**Oxygen Agreement**") with Oxygen Capital Corp. ("**Oxygen**"), a private company of which a director and an officer of the Company 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 subject to Pure Gold being liable for its share of committed lease costs and contractual obligations entered into on its behalf by Oxygen, as well as an amount equal to the average general and administrative monthly costs incurred under the Agreement for the previous six month period, and any employee termination fees due under the Agreement as a result of the termination as such term is defined under the Agreement. The amount pertaining to the non-cancellable head office lease is included in the table below.

Flow-Through Share Obligations

As at March 31, 2019, the Company is committed to incur $5.2 million in qualifying resource expenditures pursuant to the 2019 Offering, January 1, 2021. If the Company does not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill its flow-through commitments within the given time constraints.

Leases

The Company leases assets such as office space and equipment. These assets are classified as property, plant and equipment in the statement of financial position.

The Company's lease with respect to its head office premises is paid by Oxygen pursuant to the Oxygen Agreement.

Below is a maturity analysis of the Company's lease payments at March 31, 2019:

	Head Office Lease	Equipment Lease
2019	$ 127,152	$ 10,000
2020	171,891	-
2021	178,955	-
2022	178,955	-
2023	134,216	-
Total undiscounted lease payments	**$ 791,169**	**$ 10,000**

The Company's lease with respect to its head office premises includes variable payments that do not depend on an index or rate. As such, these payments have been excluded from the lease liability recognized in the statement of financial position. The Company expensed $24,315 of variable lease payments during the three months ended March 31, 2019.

Surety Bonds

In December 2017, the Company entered into an agreement with a third-party (the **"Surety"**) to replace $2.4 million of its existing reclamation deposits with surety bonds of the same amount. The bonds are held in favour of the Minister of Northern Development and Mines of Ontario (the "**MNDM**") as financial support for environmental reclamation and exploration permitting. The surety bonds are secured by a $1.3 million deposit (as at the date of this MD&A) and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the MNDM as beneficiary of the bonds will return the bonds to the issuing entity. As these instruments are associated with ongoing and active exploration properties, they will remain outstanding until the earlier of the date that the Company has discharged its remediation obligations or determines to self-fund the underlying bonding obligations. The Company has agreed to indemnify the Surety against any and all losses, fees, costs and expenses of any kind and nature which the Surety might sustain or incur upon the execution of surety bonds issued.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as defined by NI 51-102 requirements as at March 31, 2019 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 is no proposed asset or business acquisitions or dispositions before the Board for consideration.

Related Party Transactions

Transactions with related parties for goods and services are made on normal commercial terms and are 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. As at March 31, 2019, Oxygen holds a refundable deposit of $0.3 million (December 31, 2018 - $0.3 million), on behalf of the Company. During the three months ended March 31, 2019, a total of $0.5 million (three months ended March 31, 2018 - $0.5 million) was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company. As of March 31, 2019, the Company held a payable amount to Oxygen of $0.2 million (December 31, 2018 - $0.1 million). This amount was paid subsequent to March 31, 2019.

Compensation of Key Management Personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP of Exploration, the VP of Operations, 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	Three months ended March 31, 2019	Three months ended March 31, 2018
President and Chief Executive Officer	Salary	$100,000	$ 68,750
Chief Financial Officer	Salary	$ 65,000	$ 52,500
Vice President of Exploration	Salary	$ 61,250	$ 52,500
Vice President, Operations	Salary	$ 75,000	$ 52,500
Directors	Directorship	$102,500	$215,000
Total		**$403,750**	**$441,250**

Share-based compensation issued to key management personnel during the three months ended March 31, 2019 totaled $0.1 million (three months ended March 31, 2018 - $0.2 million). 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.

New Pronouncements

New, Amended and Future IFRS Pronouncements

The Company prepares its consolidated financial statements in accordance with IFRS and interpretations of the IFRIC as issued by the IASB. The effects of the adoption of new, amended and future IFRS pronouncements are discussed below:

IFRS 16 – Leases

On January 1, 2019 the Company adopted IFRS 16 – Leases ("IFRS 16"). The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. On transition to IFRS 16, the Company recognized a right-of-use asset of $0.7 million, and a lease liability of $0.7 million. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate of 8%.

The following table sets forth the adjustments to the Company's operating lease commitments as disclosed in the Company's financial statements for the nine month period ended December 31, 2018, used to derive the lease obligations recognized on initial application of IFRS 16 at January 1, 2019:

Finance lease commitment - December 31, 2018	$	13,270
Add: operating lease commitment at December 31, 2018		1,379,589
Effect of excluding variable lease payments		(546,036)
Effect of discounting commitment using the incremental borrowing rate of 8%		(143,635)
Lease liabilities recognized at January 1, 2019	**$**	**703,188**

The following are the significant accounting policies which have been amended as a result of IFRS 16, and applied at January 1, 2019:

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset of a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measures at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method, and is re-measured when there is a change in future lease payments. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant & equipment', and lease liabilities in 'lease liabilities' in the statement of financial position. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months of less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Significant Accounting Judgments, Estimates and Assumptions

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) 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.

For the three months ended March 31, 2019, there were no indicators of impairment on the Company's exploration and evaluation assets, or 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 must 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) Decommissioning, Restoration and Similar Liabilities

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at the present value of discounted cash flows for the estimated liabilities.

Carrying 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.

(iii) Determining the Discount Rate for Leases

IFRS 16 requires the Company to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment.

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, 2019, the Company had cash of $7.2 million (December 31, 2018 - $4.3 million) and short-term investments of $23,000 (December 31, 2018 - $23,000) to settle current liabilities of $2.0 million ($1.2 million excluding the flow-through premium liability of $0.8 million) (December 31, 2018 - $1.0 million). As at March 31, 2019, the Company is committed to incur, on a best efforts basis, $5.2 million in qualifying resource expenditures.

As at March 31, 2019, the Company has no source of positive operating cash flows and has not yet achieved profitable operations. The Company has incurred negative cash flows from operations of $2.4 million and a loss of $2.8 million for the three months ended March 31, 2019 and expects to incur further losses in carrying out its planned business objectives.

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 and short-term investments include deposits which are at variable interest rates. For the three months ended March 31, 2019 a plus or minus 0.5% change in market interest rates would affect the Company’s interest earned on cash and short-term investments by approximately $6,000.

Fair Value Estimation

The carrying value of the Company’s financial assets and liabilities approximates their estimated fair value.

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 adjusts 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.

Outstanding Share Data

Pure Gold’s authorized capital is unlimited common shares without par value. As at May 21, 2019 the following common shares, stock options, and share purchase warrants were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	267,211,692	N/A	N/A
Stock Options	200,000	$0.35	February 10, 2020
	650,000	$0.28	March 19, 2020
	33,333	$0.11	December 3, 2020
	2,700,000	$0.11	December 11, 2020
	400,000	$0.63	May 26, 2021
	300,000	$0.72	October 11, 2021
	75,000	$0.72	November 14, 2021
	4,638,333	$0.44	December 21, 2021
	200,000	$0.54	June 16, 2022
	100,000	$0.54	July 24, 2022
	5,166,667	$0.49	December 15, 2022
	50,000	$0.65	June 5, 2023
	200,000	$0.65	June 11, 2023
	200,000	$0.54	May 6, 2024
Warrants	14,465,000	$0.85	May 24, 2020
Fully Diluted	296,590,025		

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 as described under the heading "Risk Factors" in our AIF dated March 20, 2019, available on the Company's SEDAR profile at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy, increased volatility in the prices of gold which impact our business and may impact our ability to remain a going concern.

More specifically, while the ongoing volatility in the price of gold and continued uncertainties in capital markets do not have a 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, and may need to modify or curtail its exploration and development programs. 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 an interest.

The specific risks noted in our AIF and others in particular relating to permitting for operations and first nations consultation and approvals, may limit the Company's ability to develop and/or further explore its mineral property interests.

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 Interim Financial Statements for the three months ended March 31, 2019 and 2018 and its Annual Financial Statements for the fiscal period ended December 31, 2018 and March 31, 2018 which are all available on Pure Gold's website at www.puregoldmining.ca or on its profile on SEDAR at www.sedar.com.

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.

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.

Subsequent Events Not Otherwise Described Herein

The following items of significance occurred after March 31, 2019:

a. 1,010,000 stock options with an exercise price of $0.35, 16,667 stock options with an exercise price of $0.11, 6,667 stock options with an exercise price of $0.44, and 3,333 stock options with an exercise price of $0.49 were exercised by employees and directors between April 3, 2019 and April 5, 2019 for total proceeds of $359,900.

b. 590,000 stock options with an exercise price of $0.35 expired on April 8, 2019.

c. 200,000 stock options with an exercise price of $0.54 were granted to an employee on May 6, 2019.

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 Interim Financial Statements and respective accompanying MD&A as at March 31, 2019 (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.

Venture Issuer 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 misrepresentation and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a Venture 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 Madsen, 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:

"**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** ", effective February 5, 2019, and dated March 21, 2019, filed under the Company's profile on SEDAR at www.sedar.com (the "**Madsen Technical Report**") and available on the Company's website at www.puregoldmining.ca.

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 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.

Phillip Smerchanski, 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 Technical Report, is consistent with that provided by the QPs responsible for preparing the Madsen Technical Report, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Mr. Smerchanski 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 and properties and 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, the potential to increase after-tax net present value to the Madsen Gold Project, the potential for Russet South, Fork and Wedge to be economically viable, 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, expected IRR, anticipated permitting requirements and timing thereof, expected development schedule, 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, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by 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 a shareholder with greater than 10% holdings; uncertainties associated with minority interests and joint venture operations; 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 Audit Committee of 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