

NEWS RELEASE 18-07

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PURE GOLD ANNOUNCES EXCELLENT GOLD RECOVERIES FROM METALLURGICAL TEST WORK AT MADSEN

Global gold recoveries exceed 95%

News Release Highlights:

- High gold recoveries from samples tested average 95.4%, with a range from 90% to 99%, and an average of 36% reporting to the gravity circuit
- Preliminary gold recovery in the 8 Zone exceeds 99%
- All tests show low reagent consumption

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to report preliminary metallurgical test results which form part of the ongoing Definitive Feasibility Study for the high grade Madsen Gold Project, Red Lake, Ontario (“Madsen”). These results are part of a comprehensive ongoing metallurgical program designed to define the processing parameters, establish grade-recovery relationships and to optimize gold recovery for the existing Madsen milling circuit. Importantly, results herein are consistent with the excellent historical production recoveries achieved at Madsen¹ and open potential opportunities for further optimization.

In addition to returning high gold recoveries, with a material proportion of the gold reporting to the gravity circuit, the preliminary results demonstrate low reagent consumptions with an arithmetic average of 0.63 kg/t sodium cyanide and 0.25 kg/t lime. The average Bond mill work index of the 12 composites tested was 14.5 kWh/t.

“These results provide very strong support for an improvement on the more conservative recovery estimates employed in our PEA of 92%, and are very much in line with the higher recoveries realized from 36 years of continuous historical production at Madsen¹” states Ken Donner, Vice President Operations for Pure Gold. “These initial tests were run using historical operating parameters to provide a baseline for further optimization tests aimed at improving recoveries from all zones.”

Darin Labrenz, President and CEO commented: “As expected, metallurgical test results confirm that Madsen should return outstanding gold recoveries with a significant amount of free gold reporting to the gravity circuit. We are particularly encouraged by the strong metallurgical response returned from the high grade 8 Zone, with gold recoveries of over 99% with 82% reporting to gravity. Combined with the lower reagent consumption, and a moderate bond ball mill work index, these results highlight an opportunity for significant improvement of processing parameters in our ongoing feasibility study.”

Phase 2 of the test program will be completed on global samples based on the feasibility mine production schedule. These tests will aim to optimize the flowsheet and reagent scheme over the life-of-mine plan, and define the cyanide destruction parameters for the tailings outflow. In addition, further refinement of gravity recoverable gold will be completed as well as carbon loading and oxygen uptake rate tests.

METALLURGICAL TEST PROGRAM OUTLINE

Approximately 1,000 kilograms of drill core were collected from 52 drill hole intercepts distributed throughout the Madsen resource for Phase 1 of Pure Gold’s metallurgical test program. Phase 1 testing includes mineralogy, comminution and gravity-leach recovery tests and was completed at Base Metallurgical Laboratories Ltd (“Basemet”) in Kelowna, BC, under the supervision of JDS Energy & Mining Ltd.

Twelve global composites were generated to create spatially representative samples based on mineralogy, grade and location, within the three main domains of the deposit: Austin, McVeigh and 8 Zone. Austin and McVeigh styles of mineralization are both dominated by disseminated gold mineralization within a broader foliated and altered basalt host rock; whereas, 8 Zone mineralization is distinctively higher grade and predominantly quartz vein-hosted within altered basalt and ultramafic rocks.

The arithmetic average gold recovery for the samples tested is excellent at 95.4% Au, with individual composites ranging from 90.5% to 99.9% gold recovery at a primary grind size of P₈₀ 75 microns. Gravity concentrate gold recoveries are especially high, with an average of 36.3% and range up to 82.3% gold recovery in the 8 Zone domain. Overall, cyanide and lime consumptions are considered low to very low at 0.63 kg/t and 0.25 kg/t, respectively. Results of these preliminary gold recovery tests are summarized in Table 1.

Table 1: Phase 1 Recovery Results

Domain	Grade (g/t)	Gravity (%)	Leach (%)	Total (%)	NaCN (kg/tonne)	Lime (kg/tonne)
Austin (incl. South Austin and A3)	8.7	36.4	58.8	95.2	0.6	0.2
McVeigh	5.9	24.7	70.0	94.7	0.8	0.3
8 Zone	30.5	82.3	17.6	99.9	0.4	0.2

Composite Mineralogy and Comminution Tests

The Austin and McVeigh domain composites consist of variably altered and silicified basalt, with quartz content averaging 18%. While silica is a consistently elevated component of high-grade gold mineralization at Madsen, sulphide minerals (predominantly pyrrhotite and pyrite) have relatively low modal concentrations averaging 2.7% and do not correlate well with gold. The 8 Zone composite is characterized by a moderately altered pyroxenite host rock cut by swarms of millimeter-scale quartz veins.

Overall, the samples tested exhibited soft to moderate hardness with Bond ball mill work index values, at P₈₀ of 106 microns, ranging from 9.7 for the 8 Zone composite, to 17.1 in the strongly silicified Austin composite.

Table 2: Phase 1 Comminution Results

Domain	BWi (kW-hr/t)
Austin	15.1
McVeigh	14.4
8 Zone	9.7

ABOUT MADSEN

The Madsen Gold Project has historical production of 2.5 million ounces of gold and a current indicated resource of 1,744,000 ounces gold at 8.7 g/t gold (in 6.2 million tonnes) and an inferred resource of 296,000 ounces gold at 7.9 g/t gold (in 1.2 million tonnes), the Project benefits from existing infrastructure including a mill and tailings facility, paved highway access, and access to power, water and experienced labour.¹ A feasibility study is underway with results expected in the fourth quarter of 2018 and the Madsen Gold Project is firmly on the path to becoming Ontario's next gold mine.

(1) See the National Instrument 43-101 technical report entitled "Technical Report for the Madsen Gold Project - Restated Preliminary Economic Assessment and Initial Satellite Deposit Mineral Resource Estimates" with an effective date of December 14, 2017 for complete details, available on the Company's website at www.puregoldmining.ca or Sedar profile at www.sedar.com.

Qualified Persons and 43-101 Disclosure

Kelly McLeod, P.Eng., Senior Process Engineer, JDS Energy & Mining Inc., is the designated Qualified Person for the metallurgical component of the feasibility study within the meaning of National Instrument 43-101 ("NI 43-101") and has reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure of the same.

Ken Donner, P.Eng., VP Operations, Pure Gold Mining, is the designated Qualified Person for this news release within the meaning of National Instrument 43-101 ("NI 43-101") and has reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure of the same.

ABOUT PURE GOLD

Our mandate is pure and simple. To dream big. To colour outside the lines. To use smart science and creativity to unlock the next major discovery at the Madsen Gold Project in Red Lake, Ontario. And become Canada's next iconic gold company.

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

ON BEHALF OF THE BOARD

"Darin Labrenz"

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All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pure Gold within the meaning of applicable securities laws, including, but not limited to statements with respect to those that address potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Pure Gold and there is no assurance they will prove to be correct.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the interpretation of results at the Madsen Gold Project; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration as well as those factors discussed in the Annual Information Form of the Company dated June 16, 2017 in the section entitled "Risk Factors", under Pure Gold's SEDAR profile at www.sedar.com.

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