

NEWS RELEASE 16-08

May 4, 2016

**PURE GOLD REPORTS ADDITIONAL NEAR SURFACE, HIGH GRADE GOLD AT RUSSET SOUTH, MADSEN GOLD PROJECT**

***Drill results include 20.1 g/t gold over 2.9 metres in Hole PG16-091***

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce additional results from drilling at Russet South located on the Company’s 100% owned Madsen Gold Project (“Madsen”). Results reported herein from the Beta and Kappa targets intersected high grade, near surface gold mineralization within close proximity to the existing mining infrastructure.

“Our winter drill program at Russet South has successfully extended outcropping mineralization discovered in 2015, with results continuing to support the potential for Russet South to provide near-mill resources in the future,” stated Darin Labrenz, President & CEO of Pure Gold. “Together with Alpha, the Beta and Kappa gold zones highlight the near surface potential of the Russet South area, with both of these targets outcropping at surface, intersected to a vertical depth of 70 meters, and open at depth. The extension of high grade gold in multiple target areas at Russet South, combined with the ongoing two-rig drill testing of expansion potential within the McVeigh horizon continues to advance our goal of unlocking the exploration potential of Madsen.”

The Russet South target is a series of high grade, near-surface gold zones, located approximately 1.5 kilometres west of the McVeigh horizon and associated mine infrastructure. While the on-going drill program is focused on potential resource expansion within the McVeigh, a smaller subset of drilling was completed in early 2016 at the Russet South area where previous drilling and channel sampling by Pure Gold defined three separate targets – Alpha<sup>1</sup>, Beta and Kappa. These targets share a similar geologic environment to Madsen’s 8 Zone resource which is situated 1.6 kilometres down dip on the same geologic contacts.

Assay results from select drill holes targeting Beta and Kappa zones at Russet South are highlighted below:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Zone
PG16-081	7.2	33.5	26.3	0.9	Beta
<i>incl.</i>	<i>10.8</i>	<i>11.2</i>	<i>0.4</i>	<i>25.7</i>	<i>Beta</i>
<i>incl.</i>	<i>32.3</i>	<i>33.5</i>	<i>1.2</i>	<i>6.8</i>	<i>Beta</i>
PG16-089	16.8	17.8	1.0	17.3	Beta
	26.0	27.0	1.0	5.9	Beta
PG16-091	24.2	27.1	2.9	20.1	Beta
<i>incl.</i>	<i>24.2</i>	<i>25.2</i>	<i>1.0</i>	<i>42.2</i>	<i>Beta</i>
<i>Incl.</i>	<i>26.2</i>	<i>27.1</i>	<i>0.9</i>	<i>14.3</i>	<i>Beta</i>
PG16-097	6.0	22.7	16.7	0.7	Kappa
PG16-099	92.0	93.0	1.0	17.7	Kappa

*\*Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 60% to 90% of true widths.*

### **Beta Target**

Nine short drill holes were drilled at the Beta target in winter 2016 to follow-up on 2015 outcrop sampling and drilling results which included 39.1 g/t gold over 2.9 metres in drill hole PG15-031<sup>2</sup> and a surface chip sample of 53.0 g/t gold over 1.1 metres<sup>3</sup>. **Results reported herein have extended the strike and depth extent of the outcropping mineralization.** The current strike extent of the gold bearing silicified zone, based on previous sampling and 2016 drill results, is approximately 40 meters near surface and the zone remains open to depth.

### **Kappa Target**

Four short holes were drilled at the Kappa target in winter 2016 to follow-up on 2015 channel sample results, including 4.8 g/t gold over 2.3 metres<sup>3</sup>, and drill results, including an intercept of 12.3 g/t gold over 2.9 metres in PG15-045<sup>4</sup>. **All four drill holes intersected the 160 meter long gold mineralized quartz vein zone.** One drill hole reported in this release returned high grade gold with the remaining three holes returning broad intervals of near-surface gold mineralization.

2,858 metres of diamond drilling was completed this season in 20 drill holes at the Russet South target. With the winter phase of drilling at Russet South now complete, the drill rig was re-located to the McVeigh horizon, where drilling is targeting down plunge extensions of gold mineralization below the historical mine workings at shallow depths. To date a total of approximately 11,184 metres of diamond drilling has been completed in 44 drill holes testing the McVeigh horizon and the upper portions of the Austin horizon at the Madsen Mine site. Additional results from drill holes at the McVeigh horizon are pending.

For a figure showing the location of Russet South relative to McVeigh, please click here:  
<http://puregoldmining.ca/sites/default/files/Russet-South-Location-Figure.pdf>

For a plan map showing the Russet South drilling, please click here:  
<http://puregoldmining.ca/sites/default/files/Russet-South-Plan-Map-05.04.2016.pdf>

For a cross section showing drill results from Russet South, please click here:  
<http://puregoldmining.ca/sites/default/files/Russet-South-Cross-Section-05.04.2016.pdf>

For a complete list of 2016 drill results to date, please click here:  
<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-May-4.pdf>

### **Management Changes**

Pure Gold would also like to announce that effective April 29, 2016, Phil Smerchanski has been appointed Vice President, Exploration, from his previous position with the Company as Director, Geoscience. In addition, Christopher Lee has been appointed Chief Geoscientist. Chris previously served as a Technical Advisor to the Company. Mr. Smerchanski replaces Darren O'Brien who started with the Company in 2014. "Darren has been an integral part of the Pure Gold team since its early days, and has been instrumental in advancing the Company to its current stage. We thank Darren for all his hard work and wish him well in his future endeavors," stated Darin Labrenz, President & CEO of Pure Gold.

## **ABOUT MADSEN**

The Madsen Mine operated for over 36 years with historic production of 2.5 million ounces at an average grade of 9.9 g/t gold. The Madsen Gold Project hosts an operational head frame, a permitted mill and tailings facility, and access to power, water and labour. The Madsen Gold Project has an Indicated Resource of 928,000 ounces gold at 8.93 g/t Au (in 3.24 million tonnes) and an Inferred Resource of 297,000 ounces gold at 11.74 g/t Au (in 0.79 million tonnes)<sup>5</sup>. The mineral resource is based on 13,624 drill holes, evenly dispersed throughout the mineral resource. A robust geologic model based on 27 levels of geological mapping and chip sampling provides a solid understanding of continuity of mineralization.

In addition to the mineral resource, the Madsen Gold Project hosts a number of highly prospective new discoveries including the Fork Zone and Russet South targets. Pure Gold believes the opportunity exists to advance these near-surface, high grade exploration targets through the application of modern exploration science and a new understanding of the district.

*(1) See press release dated April 11, 2016; (2) See press release dated May 27, 2015; (3) See press release dated September 15, 2015; (4) See press release dated June 16, 2015; (5) See the National Instrument 43-101 technical report entitled "Technical Report for the Madsen Gold Project Red Lake, Ontario, Canada," prepared by SRK Consulting (Canada) Inc. dated effective February 18, 2014. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*

## **QA/QC and Core Sampling Protocols**

Drill core samples are submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation by crushing to 70% less than 2mm, a rotary split of 1kg, and pulverization of the split to better than 85% passing 75 microns. Sample pulps are shipped to the ALS assay laboratory in North Vancouver, B.C. for gold analysis with a 30g fire assay and AAS finish (code Au-AA23). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GRA21). Mineralized zones with visible gold are also analyzed by a 1kg screen fire assay with screening to 100 microns. A duplicate 30g fire assay is conducted on the screen undersize with assaying of the entire oversize fraction (code Au-SCR21). Control samples (accredited standards and non-accredited blanks) were inserted on a regular basis. Results are assessed for precision on an ongoing basis.

## **Qualified Persons and 43-101 Disclosure**

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

## **ABOUT PURE GOLD**

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](http://www.puregoldmining.ca) and under the Company's profile at [www.sedar.com](http://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 4, 2015 in the section entitled "Risk Factors", under Pure Gold's SEDAR profile at [www.sedar.com](http://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.*