

NEWS RELEASE 16-26

September 27, 2016

**PURE GOLD INTERSECTS 126.6 G/T GOLD OVER 3.7 METRES
AT THE MADSEN GOLD PROJECT**

Drilling confirms south plunge of the McVeigh horizon, open in all directions

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce additional drill results from the ongoing 51,000 metre drill program at the Company’s 100% owned Madsen Gold Project (“Madsen”). Results reported herein are from the four drill rig exploration program, designed to expand the high grade gold resource in close proximity to the existing permitted infrastructure.

Highlights from new drilling include:

- **9.5 g/t gold over 4.9 metres** in hole PG16-185 (McVeigh)
 - Including **17.5 g/t gold over 2.3 metres**
- **8.3 g/t gold over 5.4 metres** in hole PG16-191 (McVeigh)
 - Including **11.6 g/t gold over 3.5 metres**
- **126.6 g/t gold over 3.7 metres** in hole PG16-195 (Austin)
 - Including **382.0 g/t gold over 1.0 metre**

“Our drilling to date has been successful in establishing that the McVeigh horizon is analogous to the Austin horizon, with similar style of alteration and comparable widths and grades of gold mineralization,” said Darin Labrenz, President and CEO of Pure Gold. “Furthermore, drilling has demonstrated that the McVeigh is mineralized well below the shallow historic workings and has lateral continuity with deep roots. With this established, we are now stepping out more aggressively within the McVeigh, with the goal of testing the extents of the mineralization. These results, which include gold intercepts that are south of and deeper than any previous drilling by the Company to date, clearly demonstrate that the McVeigh is wide open for expansion and represents an exciting modern exploration discovery in the Red Lake District.

Drilling Confirms South Plunge in the McVeigh Horizon

Drill hole PG16-191 represents the southernmost and deepest intercept by the Company to date, returning significant results from a 100 metre step out from previously reported hole PG16-136 (see McVeigh West long section). Furthermore this hole lies 70 metres below mineralization reported in hole PG16-185, and 180 metres below mineralization reported in hole PG16-178. Together these three drill holes span a 200 metre vertical section that is further to the south than previous drilling within the McVeigh horizon and confirm that mineralization is open down plunge, to the south below the shallow historical workings.

High Grade Gold within the Austin Horizon

While drilling is primarily focused on the McVeigh horizon, continued geological modelling by Pure Gold suggests that the Austin horizon also holds significant potential for new mineralized zones. Through ongoing drilling, the Company has developed a better understanding of the controls on mineralization, and believes that there is potential for additional mineralization in the Austin from both extensions of known zones, and from newly modelled, untested parallel targets. Drill hole PG16-195 intersected a strongly mineralized and altered zone with both coarse and fine visible gold scattered throughout the intercept, returning 126.6 g/t gold over 3.7 metres.

This high grade intercept occurs outside of proposed mining shapes defined in the PEA and confirms the significant resource potential of the Austin horizon.

Drill Results Summary

New assay results from select drill holes are outlined below:

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Zone
PG16-174	146.8	148.8	2.0	6.3	McVeigh
PG16-178	169.0	175.0	6.0	4.9	McVeigh
	211.0	213.0	2.0	7.4	McVeigh
PG16-185	349.1	354.0	4.9	9.5	McVeigh
<i>incl.</i>	<i>349.1</i>	<i>351.4</i>	<i>2.3</i>	<i>17.5</i>	
PG16-188	189.0	191.0	2.0	17.9	Austin
PG16-191	381.6	387.0	5.4	8.3	McVeigh
<i>incl.</i>	<i>381.6</i>	<i>385.1</i>	<i>3.5</i>	<i>11.6</i>	
PG16-195	262.8	265.7	2.8	11.9	Austin
	280.5	284.2	3.7	126.6	Austin
<i>incl.</i>	<i>280.5</i>	<i>281.5</i>	<i>1.0</i>	<i>382.0</i>	
<i>and incl.</i>	<i>283.0</i>	<i>284.2</i>	<i>1.2</i>	<i>58.8</i>	

**Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 50% to 97% of true widths.*

The results of Pure Gold's ongoing \$9.1 million drill program continue to reinforce that the McVeigh is a folded footwall continuation of the Austin horizon, is open in all directions, and remains largely untested. While the Austin horizon, which is situated 150 metres in the hanging wall of the McVeigh horizon, produced over two million ounces from surface to a depth of 1.2 kilometres, the McVeigh was only mined to a maximum depth of 230 metres. Pure Gold's work to date has identified significant endowment potential in the McVeigh horizon, with gold bearing intersections present from surface to over a kilometre vertical depth.

For an overview long section showing the McVeigh horizon, click link below:

<http://puregoldmining.ca/sites/default/files/McVeigh-Long-Section-09-27-2016.pdf>

For a detailed long section showing the recent McVeigh Central drill results, click link below:

<http://puregoldmining.ca/sites/default/files/McVeigh-Central-Long-Section-09272016.pdf>

For a detailed long section showing the recent McVeigh West drill results, click link below:

<http://puregoldmining.ca/sites/default/files/McVeigh-West-Long-Section-09272016.pdf>

For a complete list of 2016 drill results to date, click link below:

<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-September-27.pdf>

Pure Gold's 2016 exploration program is on-going with three drill rigs currently testing the McVeigh horizon and a fourth drill rig testing satellite targets, including Russet South. The program is expected to include 51,000 metres of core drilling, of which 41,610 metres have been completed and released to date. Further results will be released as available.

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 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 gold (in 3.24 million tonnes) and an Inferred Resource of 297,000 ounces gold at 11.74 g/t gold (in 0.79 million tonnes)¹. 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 the geology and continuity of mineralization.

In addition to the mineral resource, the Madsen Gold Project hosts a number of prospective new discoveries including the Fork Zone and Russet South targets, as well as, two significant historic underground mines. Pure Gold believes the opportunity exists to advance these targets through the application of modern exploration science and a new understanding of the district.

(1) See the National Instrument 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment For the Madsen Gold Project," prepared by Nordmin Engineering Ltd., dated effective April 20, 2016. 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 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 17, 2016 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.