

NEWS RELEASE 17-27

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PURE GOLD BEGINS DEFINITIVE FEASIBILITY STUDY ON MADSEN GOLD PROJECT

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce that it has commenced a Definitive Feasibility Study (“DFS”) on its 100% owned Madsen Gold Project (“Madsen”) with the objective of making a positive production decision by Q4 2018. The DFS, based on a mineral resource supported by approximately 1.1 million metres of diamond drilling with an overall average drill spacing of 6.3 metres in high grade zones, will determine the optimum mine plan, underground mining methods and mining rate, while leveraging the existing mine infrastructure and 36 years of continuous past production history.

Concurrent with the DFS, exploration drilling will continue to be focused on delineating near surface mining shapes and delivering new zones to expand the overall mineral resource along the Madsen Mine trend. In addition, project financing discussions will be initiated with select lenders.

The Company’s recent Preliminary Economic Assessment (“PEA”) outlines a very low capital intensity project and the modest capital hurdle and high margins of Madsen set it apart from any other near term producer in the gold space today. Expected to refine the PEA assumptions the DFS is a key milestone in the Company’s goal of rapidly advancing the Madsen Gold Project to become Ontario’s next gold mine.

Key Development and Exploration Program Plan Highlights

- complete a definitive feasibility study to provide an economic assessment of the Madsen Gold Project, including mine, process, and infrastructure design, putting the project firmly on the path to a production decision in the shortest timeline possible;
- complete rehabilitation of Two Level from the Madsen ramp and drive an exploration drift to allow for infill drilling of initial stope shapes;
- 5,000 metres of resource definition drilling from the Madsen ramp and new exploration drift, designed to infill and confirm upper portions of the current mineral resource;
- advance the ramp approximately 300 metres to provide access to new mineralization;
- drift along the mineralized structure, with both lateral and vertical development designed to demonstrate continuity;
- an underground chip sampling program to improve geologic understanding and demonstrate continuity and thickness of mineralized zones;
- extraction of a 7,200 tonne bulk sample to validate the resource model, provide material for metallurgical testwork, and provide pre-production mineralized inventory;
- 28,000 metres of exploration drilling from surface with the goal of identifying and extending new zones of gold mineralization close to existing mine infrastructure, including up-dip of the 8 Zone and down dip of Russet South;
- continue baseline environmental work and file all necessary applications to modernize mine permits; and
- release an initial mineral resource estimate for Madsen’s satellite deposits in the fourth quarter of 2017.

“With the recent completion of a significantly expanded mineral resource, and a positive Preliminary Economic Assessment outlining a robust 14-year underground mining operation with highly attractive economics, we are aggressively pressing ahead to advance Madsen towards production” stated Darin Labrenz, President and CEO of Pure Gold. “There remains today a scarcity of near-term, high grade, quality gold projects in friendly jurisdictions and Madsen is extremely well placed with existing infrastructure including a mill, tailings facility and underground development. Our calendar 2018 exploration and development plan will continue to de-risk the project and bring Madsen one step closer to becoming Ontario’s next gold mine.”

2018 Development and Exploration Program

Given the positive results delivered in the recent PEA, Pure Gold has contracted and engaged JDS Energy and Mining Inc. (JDS) to lead and complete a Definitive Feasibility Study on the Madsen Gold Project. Project partners include Nordmin Engineering Ltd., Knight Piésold, and MineFill Services. The PEA (see news release September 14, 2017) outlined a robust 14-year underground mining operation, with base case parameters of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.80:

- Pre-tax NPV_{5%} and IRR of \$365 million and 54% respectively with a 2.7 year payback of initial capital;
- After-tax NPV_{5%} and IRR of \$ 258 million and 47 % respectively with a 2.8 year payback of initial capital;
- Mine life of 14 years with a 12 month pre-production period;
- Life of mine (“LOM”) diluted head grade of 10.3 g/t gold;
- Average annual gold production in years 3 through 9 of approximately 75,500 ounces, with peak annual production of approximately 85,000 ounces;
- LOM direct operating cash cost(1) is estimated at US\$595 per ounce of gold recovered;
- LOM operating cash cost(1) plus sustaining cost is estimated at US\$714 per ounce of gold recovered;
- Pre-production capital cost estimated at \$50.9 million which includes a 15% contingency; and
- LOM sustaining capital costs estimated at \$134.7 million which includes a 5% contingency.

(1) Cash cost includes mining cost, mine-level G&A, mill and refining cost

The DFS commenced with a kick-off meeting at site in December 2017 and will begin with trade-off studies to better define project concepts as outlined in the PEA. Trade-off studies will aim to optimize the components of a mine plan, including the mining rate, mining methodology, and mine development options. The DFS, a key milestone in the development of a new mining operation at Madsen, will be based on an updated mineral resource estimate incorporating all diamond drilling completed since April 11, 2017 and is scheduled for completion in Q3 2018.

To support the DFS initiatives and promote further resource expansion, Pure Gold is currently rehabilitating Two Level from the Madsen Ramp, and will drive a 50 metre exploration drift in the hanging wall of near surface gold mineralization to allow for infill definition drilling. This underground drilling will commence in January 2018 with approximately 5,000 metres of drilling to be conducted from the newly developed drift.

Following the infill drilling, Pure Gold will drive the Madsen Ramp to Three Level and will develop along the mineralized structure of one of the near surface planned stopes. The development will allow for close spaced chip sampling to establish geologic and grade continuity and for validation of the current resource model. The development will include approximately 7,200 tonnes of mineralized material which will provide an opportunity for additional metallurgical testing and will be retained as pre-production mineral inventory. Recent drilling in the area of the proposed bulk sample includes³:

- 15.4 g/t gold over 4.0 metres from hole PGU-0024;
- 35.5 g/t gold over 1.5 metres from hole PGU-0027;
- 19.4 g/t gold over 9.8 metres from hole PGU-0028; and
- 13.7 g/t gold over 6.8 metres from hole PGU-0033.

In addition to the underground drilling, the 2018 exploration program includes 28,000 metres of surface diamond focused on resource expansion and discovery. A key component of the surface drilling program will be to target the Russet South – 8 Zone corridor with the goal of expanding known mineralization up dip from the 8 Zone and down dip from Russet South, as well as testing the 1.6 kilometre gap between the two gold deposits. The 8 Zone, containing an indicated resource of 253,000 ounces at a grade of 20.8 g/t gold in 379,000 tonnes, and a further inferred resource of 74,000 ounces at 16.3 g/t gold in 142,000 tonnes, is a high grade component of the Madsen Mineral Resource and remains open for expansion. Russet South, located near surface, shares similar characteristics to the 8 Zone and is scheduled for a first-time mineral resource estimate in Q4 2017.

Exploration at site is ongoing, with two rigs currently active on surface. A planned break will commence in mid-December with drilling from both surface and underground set to resume in mid-January.

Pure Gold will also continue ongoing environmental baseline studies to support permitting activities and will file a new project definition for the Madsen Gold Project in early 2018. This Project Definition will outline the operational components of a new Madsen mining operation with a goal of modernizing existing permits for production.

ABOUT MADSEN

The Madsen Gold Project has historic production of 2.5 million ounces of gold and remains one of the highest-grade, undeveloped gold projects in the world.¹ With an indicated resource of 1,648,000 ounces gold at 8.9 g/t gold (in 5.79 million tonnes) and an inferred resource of 178,000 ounces gold at 9.4 g/t gold (in 0.59 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.² The initiation of a feasibility study in 2017 has put the Madsen Gold Project firmly on the path to becoming Ontario's next gold mine.

(1) Sourced from the *Natural Resource Holdings Global Gold Mines & Deposit Ranking of 2013*

(2) See the National Instrument 43-101 technical report entitled "Preliminary Economic Assessment of the Madsen Gold Project for Pure Gold Mining Inc., Red Lake, Ontario, Canada" with an effective date of September 14, 2017 for complete details, available on the Company's website at www.puregoldmining.ca or Sedar profile at www.sedar.com.

(3) See news releases dated September 26, 2017 and November 16, 2017.

QA/QC and Core Sampling Protocols

Drill core samples are bagged and sealed and submitted to SGS in Red Lake, Ontario for sample preparation by crushing to 75% less than 2mm, a riffle split of 1kg, and pulverization of the split to better than 85% passing 75 microns. Gold analysis is completed in the SGS Red Lake lab with a 30g fire assay and AAS finish (code GE-FAA313). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GO-FAG303). Mineralized zones with visible gold are also analyzed by a 1kg screen fire assay with screening to 106 microns (code GO-FAS51K). Two 30g fire assays are conducted on the screen undersize and combined with an assay of the entire oversize fraction. Control samples (accredited standards and non-accredited blanks) were inserted on a regular basis. Results are assessed for accuracy, precision and contamination 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 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.