

NEWS RELEASE 19-02

February 5, 2019

PURE GOLD ANNOUNCES SIGNIFICANT INCREASE IN MINERAL RESOURCES AT THE MADSEN GOLD PROJECT

Indicated Mineral Resources increase 18% to 2,063,000 Ounces Gold

Inferred Mineral Resources increase 58% to 467,000 Ounces Gold

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce an updated and expanded mineral resource estimate for the Madsen Gold Project (“Madsen”). The mineral resource estimate includes updated and expanded mineral resources for all previously reported deposits, including Madsen, Russet South and Fork, and includes first time disclosure of mineral resources at the Company’s Wedge deposit. The mineral resources from the Madsen deposit have been incorporated into a feasibility study (“FS”) currently being finalized and will be followed by a preliminary economic assessment (“PEA”) of the Russet South, Fork and Wedge deposits. Both studies are expected to be released in February.

Significant release highlights:

- Indicated mineral resources **increase by 319,000 ounces** to a total of **2,063,000 ounces** (7,196,000 tonnes at an average grade of 8.9 g/t gold) at a 4.0 g/t gold cut-off;
- Additionally, inferred mineral resources **increase by 171,000 ounces** to a total of **467,000 ounces** (1,880,000 tonnes at an average grade of 7.7 g/t gold) at a 4.0 g/t cut-off;
- The soon to be completed FS is based upon indicated mineral resources at the Madsen deposit which **increased by 13% to 1,857,000 ounces** (6,429,000 tonnes at an average grade of 9.0 g/t) at a 4.0 g/t cut-off;
- Satellite indicated resources (Russet South, Fork and Wedge) **grow by 114% to 206,000 ounces** (767,000 tonnes at an average grade of 8.4 g/t gold) and inferred resources **grow by 91% to 226,000 ounces** (991,000 tonnes at 7.1 g/t gold) at a 4.0 g/t gold cut-off;
- Satellite resources include first time disclosure of indicated mineral resources at Wedge of **107,000 ounces** (322,000 tonnes at an average grade of 10.3 g/t gold) and inferred mineral resources of **79,000 ounces** (307,000 tonnes at an average grade of 8.0 g/t gold) at a 4.0 g/t cut-off.

The mineral resource estimate was prepared by Ginto Consulting Inc. of Vancouver, Canada (“Ginto”) and is dated February 5, 2019.

“Today’s updated mineral resource estimate is the first of several near term key milestones on the path to establishing a modern, scalable mining operation at Madsen,” said Darin Labrenz, President and CEO of Pure Gold. “Over the past four years, our team’s disciplined, focused efforts and geological expertise, has established unequivocally that the Madsen deposit, in the very heart of Canada’s Red Lake mining district, is truly an exceptional asset. The team’s efforts have resulted in an indicated mineral resource that has doubled

over that period. With this new high confidence resource, based on 1.2 million metres of drilling, we are in great shape to put a mine plan together for the next chapter in the evolution and growth of the Red Lake camp.”

The updated mineral resource estimate for Madsen is reported at a 4.0 g/t Au cut-off effective February 5, 2019.¹

Table 1. Mineral Resource Statement for Madsen Gold Project*

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

* 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 based on US\$1,275 per troy ounce gold and gold metallurgical recoveries of 95 percent.

“The Madsen mineral system is a foundational component of the Red Lake mining district,” commented Phil Smerchanski, Vice President Exploration of Pure Gold. “With more than 2.5 million ounces of historical production, two million ounces of current indicated resource, and an inferred resource that remains open and is the subject of active ongoing exploration, this is a top tier high grade asset in one of the best mining jurisdictions on the planet. We believe that with continuing exploration, and drilling, the endowment of this unique and special asset will continue to grow. Already a cornerstone development in the history of Red Lake, our work has clearly established that Madsen has key role in the future of the camp.”

The current mineral resource estimate of the Madsen Project comprises the Madsen, Fork, Russet South and Wedge deposits. Mineral resources of Madsen, Fork and Russet South represent updates of the mineral resources for these deposits, while mineral resources from the Wedge deposit are herein disclosed for the first time.

Mineral Resource Estimate

Since acquiring the project, Pure Gold’s exploration team has completed more than 209,000 metres of new oriented-core drilling, in 918 holes, re-logged over 270,000 metres of historical drill core and completed extensive surface and underground mapping, to build a comprehensive understanding of the three-dimensional structural, alteration, and lithologic controls on mineralization. This understanding provides the foundation for the current geological model which has guided resource estimation in each of the resource areas.

The current mineral resource estimate of the Madsen Gold Project incorporates new drilling of 390 holes from surface and underground undertaken by Pure Gold since the last resource update. In total, the Madsen Gold Project drill hole database is comprised of 14,822 drill holes with a total of 1.2 million metres of drilling. Geological modelling and resource estimation followed the same approach to that used in the 2017 mineral resource estimates which was validated by recent test mining of two planned stoping areas, where mined tonnes were within 1% of the predicted tonnes from the resource model, with an estimate of 14% more ounces than expected due to a higher than predicted average diluted grade of 10.9 g/t gold at a 4.0 g/t gold cut-off.²

Madsen Resource

Within the Madsen deposit, the overall average spacing between drill holes is 6.4 metres within the high-grade domains, providing tight control on mineralized domains. Gold grades were estimated using ordinary kriging within a 3x3x3 metre block model coded by 43 discrete high grade mineral domains. The presence of barren dykes within the resource domains was accounted for using an indicator probability model to dilute the gold grades proportionally with the amount of logged dyke material in nearby drill holes. All previously existing underground voids were removed from the mineral resource and, as a conservative measure, these voids were expanded by five metres in all directions to provide a buffer which was also removed from the mineral resource estimate.

Satellite Resources

The Fork and Russet South deposits were both updated as part of the current mineral resource estimates, with drill hole cut-off dates of July 10, 2018 and August 10, 2018 respectively. The mineral resource estimate at Fork considered data from 45,525 metres of drilling from 122 drill holes, including five new drill holes since the December 2017 estimate. At Russet South, the mineral resource estimate considered data from 26,567 metres of drilling from 105 drill holes, including 24 new drill holes completed since December 2017.

Mineral resources at Wedge, located approximately three kilometres by road south of the Madsen milling infrastructure, were estimated for the first time in this update. Surface drilling in the Wedge area was conducted by Pure Gold in late 2017 through 2018, establishing strongly mineralized zones with good continuity that remain open for expansion. In total, the Wedge mineral resource estimate considered 52,238 metres of drilling from 201 drill holes, with a cut-off date of August 29, 2018.

The estimation methodology for all satellite deposits used the same approach to that of the Madsen deposit.

Mineral resources for all zones are reported at a 4.0 g/t gold cut-off based on a gold price of US\$1,275 per troy ounce, gold metallurgical recoveries of 95 percent, and assumed underground mining methodology.

Table 2. Madsen Project Resource by Zone (4.0 g/t Au Cut-off)

Zone	Indicated			Inferred		
	Tonnes	Grade (g/t Au)	Ounces (Au)	Tonnes	Grade (g/t Au)	Ounces (Au)
Madsen	6,429,000	9.0	1,857,000	889,000	8.4	241,000
Fork	203,000	6.6	43,000	331,000	5.8	61,000
Russet South	241,000	7.2	56,000	352,000	7.5	85,000
Wedge	322,000	10.3	107,000	307,000	8.0	79,000
Total	7,196,000	8.9	2,063,000	1,880,000	7.7	467,000

Table 3. Madsen Gold Project Indicated and Inferred Mineral Resource Cut-off Grade Sensitivity

Cut-off Grade (g/t Au)	Indicated			Inferred		
	Tonnes	Grade (g/t Au)	Ounces (Au)	Tonnes	Grade (g/t Au)	Ounces (Au)
3.0	10,333,000	7.3	2,413,000	2,854,000	6.3	574,000
4.0	7,196,000	8.9	2,063,000	1,880,000	7.7	467,000
5.0	5,276,000	10.5	1,789,000	1,386,000	8.9	397,000

Madsen Economic Studies Nearing Completion

The Company is finalizing the feasibility study of the Madsen Gold Project and expects to release results of the study in February 2019. The FS will consider indicated resources from Madsen deposit which total 1.86 million ounces of gold at a grade of 9.0 g/t from 6.43 million tonnes.

In addition, the Company is also finalizing a Preliminary Economic Assessment for the Wedge, Russet South and Fork deposits and expects to issue this PEA in February 2019. The PEA will consider both indicated and inferred resources from the Company's satellite deposits and will provide initial engineering for potential mining of these satellite deposits as well as estimates of capital, operating and other economic parameters. The scoping of mining alternatives from these satellite resources is key to the Company's goal of demonstrating project growth and scalability.

For a figure showing the location of mineral resources for the Madsen Gold Project, click link below:

http://puregoldmining.ca/sites/default/files/Madsen_Gold_Project_Resource_Estimate_Deposit_Locations.pdf

ABOUT MADSEN

The Madsen Gold Project has a current indicated resource of 2,063,000 ounces gold at 8.9 g/t gold (in 7.2 million tonnes) and an inferred resource of 467,000 ounces gold at 7.7 g/t gold (in 1.9 million tonnes), the Project benefits from extensive infrastructure including a mill and tailings facility, paved highway access, and access to power, water and experienced labour. Mineral resources from the Madsen deposit will be incorporated into a feasibility study ("FS"), followed by a preliminary economic assessment ("PEA") of the Russet South, Fork and Wedge deposits, both of which are expected to be completed and released in February.

1. A Technical Report, which will include details supporting this resource estimate, will be filed on SEDAR at www.sedar.com within 45 days.
2. See news release dated January 31, 2018

Qualified Persons and 43-101 Disclosure

The Mineral Resource Estimate was prepared by Marc Jutras, P.Eng., M.A.Sc., Principal, Ginto Consulting Inc., an independent Qualified Person in accordance with the requirements of National Instrument 43-101 ("NI 43-101") and Mr. Jutras has approved the disclosure herein.

Christopher Lee, P.Geo., Chief Geoscientist for the Company, is a Qualified Person within the meaning of NI 43-101 and supervised the geologic modelling which formed the basis of the resource estimation.

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 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

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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; the timing of future economic studies; 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 11, 2018 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.