

NEWS RELEASE 16-22

August 23, 2016

PURE GOLD ACCELERATES EXPLORATION AT THE MADSEN GOLD PROJECT, ADDS FOURTH DRILL RIG AND MOVES TO RE-OPEN EXISTING PORTAL

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce the addition of a fourth diamond drill rig at the Company’s 100% owned Madsen Gold Project (“Madsen”), as well as an update on the re-opening of the existing McVeigh Portal.

Additional Drill Rig Added to Test Russet South and Other Satellite Targets

The addition of a fourth drill rig allows for exploration to advance on satellite targets, including Russet South, without reducing the exploration program currently focused at the McVeigh Horizon. A total of 5,000 metres of drilling is currently planned to be completed on satellite exploration targets by the end of the year, with the goal of discovering high grade mineralization at new targets and expanding the near surface, high grade mineralization discovered to date at Russet South.

Russet South is a high priority target that lies approximately 1.5 kilometres west of the McVeigh horizon and associated Madsen mine infrastructure. Drilling and channel sampling to date has defined high grade gold at three separate targets near surface. These targets share a similar geologic setting to Madsen’s high grade 8 Zone which is located 1.6 kilometres down dip on the same geologic contact.

Update on Development Plan to Re-Open the Existing McVeigh Portal

The Project Description for the McVeigh Portal Advanced Exploration Project has been submitted to the Ministry of Northern Development. They have briefed the appropriate representatives at partner ministries as well as the technical reviewers and an interagency review will be scheduled in the near future. The Company anticipates having all necessary approvals to open the portal in Q4 2016.

The McVeigh Portal is located approximately one kilometer from the mill and currently provides ramp access to the top 150 vertical metres of mine workings. Opening the portal will allow for a field inspection of the underground headings, including rock mass characterization, as well as detailed underground geological mapping and sampling to refine the structural setting, further characterize mineralization and aid in additional targeting at McVeigh. The ramp will also provide access to the footwall of the McVeigh and Austin horizons which will allow for underground drilling to further test mineralization.

Madsen 2016 Exploration Program

Pure Gold’s expanded 2016 exploration program is on-going with three drill rigs currently testing the McVeigh horizon and one drill rig testing satellite targets. 51,000 metres of core drilling is currently budgeted for 2016, with 24,916 metres completed and released to date. Further results will continue to be released as available.

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

<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-August-09.pdf>

For a map showing exploration targets at Madsen, including Russet South, click link below:

<http://puregoldmining.ca/sites/default/files/PGM-Madsen-Exploration-Targets-2016.pdf>

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.

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.