

NEWS RELEASE 18-15

June 11, 2018

PURE GOLD REPORTS FISCAL 2018 FINANCIAL RESULTS

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“**Pure Gold**” or the “**Company**”) is pleased to announce financial results and operating highlights for the fiscal year ended March 31, 2018. All financial figures are in Canadian dollars, unless otherwise stated.

Financial and Operating Highlights through and subsequent to March 31, 2018:

- Commenced a Definitive Feasibility Study (“**DFS**”) including numerous trade-off studies on the Madsen Gold Project (“**Madsen**”), with the objective of making a positive production decision by the end of the fourth quarter of calendar 2018. The DFS will determine the optimum mine plan, underground mining methods and mining rate, while leveraging the existing mine infrastructure at Madsen.
- Completed a bought-deal private placement on May 24, 2018, consisting of 16,130,000 units of the Company (the “**Units**”), at a price of C\$0.62 per Unit, for gross proceeds of \$10 million and 4,000,000 common shares of the Company issued on a flow-through basis (the “**FT Shares**”), at a price of \$0.75 per FT Share, for gross proceeds of \$3 million, for aggregate gross proceeds of \$13 million (together, the “**Offering**”). Each Unit will consist of one common share of the Company (a “**Unit Share**”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”). Each Warrant will be transferrable and entitle the holder to acquire one common share of the Company for two years from the closing of the Offering at a price of C\$0.85.

Concurrent with the Offering, AngloGold Ashanti, the Corporation’s largest shareholder, increased its ownership position to approximately 14.9% by subscribing for 12,800,000 Units of the Company at \$0.62 per Unit, (together with the Offering the “**Transactions**”) on a non-brokered basis, for gross proceeds of \$7.9 million. Together with the Offering, the Company raised a total of \$20.9 million, which means the Company is expected to be fully funded through the completion of the DFS and permitting with funds available for continued exploration of key priority targets during this phase of development.

- Announced a new discovery (the Wedge Target) south of the Madsen mine, adding 1,100 metres of strike length to the Madsen Mine trend, with high grade gold mineralization outcropping at surface and returned from four zones (CK, DV, MJ, and 86).
- Announced a Preliminary Economic Assessment (“**PEA**”) for Madsen. The PEA, based on an updated resource estimate (see below), shows a robust 14-year underground mining operation with highly attractive economics at base case metal prices. Positive results from the PEA led to the decision to commence the DFS. Highlights for the PEA include^{1:2}
 - Pre-tax NPV5% and IRR of \$365 million and 54% respectively with a 2.7 year payback of initial capital;

¹ Base case parameters assume a gold price of US\$1,275/oz and an exchange rate (C\$ to US\$) of 0.80. Cash cost includes mining cost, mine-level G&A, mill and refining cost.

² The PEA was prepared by independent consultants Darcy Baker, Ph.D., P.Geo., of Equity Exploration Consultants Ltd., Gilles Blais, P. Eng. of Nordmin Engineering Ltd., John Folinsbee, P. Eng., of Heads Ore Tails Metallurgical Consulting Inc., Marc Jutras, P. Eng., of Ginto Consulting Inc., and Roy Levesque, P. Eng. of Nordmin Engineering Ltd. Details of the PEA can be found in the National Instrument 43-101 Technical Report entitled “**Technical Report for the Madsen Gold Project - Restated Preliminary Economic Assessment and Initial Satellite Deposit Mineral Resource Estimates**”, (the “**Madsen Technical Report**”) effective December 14, 2017 and signed January 29, 2018, which can be found on Pure Gold’s profile on SEDAR at www.sedar.com and available on the Company’s website at www.puregoldmining.ca, for further details of the PEA.

- After-tax NPV5% and IRR of \$258 million and 47% respectively with a 2.8 year payback of initial capital;
 - Mine life is 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 three through nine of approximately 75,500 ounces, with peak annual production of approximately 85,000 ounces of gold;
 - LOM direct operating cash cost¹ is estimated at US\$595 per ounce of gold recovered
 - LOM operating cash cost¹ 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;
 - LOM sustaining capital costs estimated at \$134.7 million which includes a 5% contingency.
- Announced a new mineral resource estimate for the Madsen deposit, consisting of indicated mineral resources totaling 1,648,000 ounces (5,785,000 tonnes at an average grade of 8.9 g/t gold) and, inferred mineral resources totaling 178,000 ounces (587,000 tonnes at an average grade of 9.4 g/t gold), all at a 4.0 g/t cut-off . Indicated resource tonnes increased 27%, grade 17% and total ounces 48%, from the previous resource estimate completed in 2009.³

Completed first time mineral resource estimates from two satellite deposits, Russet South and Fork.

New indicated mineral resources at Russet South total 56,000 ounces (259,000 tonnes at an average grade of 6.7 g/t gold) and inferred mineral resources total 71,000 ounces (322,000 tonnes at an average grade of 6.8 g/t gold) at a 4.0 g/t cut-off⁴;

New indicated mineral resources at Fork total 40,000 ounces (194,000 tonnes at an average grade of 6.5 g/t gold) and inferred mineral resources total 47,000 ounces (255,000 tonnes at an average grade of 5.8 g/t gold) at a 4.0 g/t cut-off²;

- Continued with underground infrastructure work at the Madsen Portal and ramp. Constructed, installed and commissioned key surface and underground services including water and air lines, underground electrical lines, mine air heater and ventilation, and power lines connecting grid power to the portal;
- Completed geotechnical review of underground:
 - Commenced re-conditioning of ramp;
 - Completed a System Impact Assessment with the provincial power provider to confirm future power availability for an operating mine;
 - Continued exploration drilling from both surface and underground focused on resource growth; and
 - Commenced development to access a proposed 7,200 tonne bulk sample
- Drilling from underground continued to confirm mineralization in the McVeigh and South Austin gold mineralized zones and highlights the expansion potential within the Madsen mineral resource⁵.
- Closed a bought deal private placement on November 1, 2017 for aggregate gross proceeds of C\$19.2 million upon the issuance of an aggregate of 31,613,292 common shares of the Company. The offering consisted of three tranches. The first tranche consisted of 8,690,000 common shares of the Company that qualify as "flow-through shares" for the purposes of the Income Tax Act (Canada) ("**Super FT Shares**") and were issued at a price of

³ See press release dated August 2, 2017 and the Madsen Technical Report which can be found on Pure Gold's profile on SEDAR at www.sedar.com., and available on the Company's website at www.puregoldmining.ca, for further details of the Mineral Resource estimate.

⁴ See the Madsen Technical Report available on the Company's website at www.puregoldmining.ca or the Company's SEDAR profile at www.sedar.com.

⁵ See press releases dated February 13, 2018, and November 16, 2017 for further details on exploration drill results released during the quarter.

C\$0.725 per Super FT Share. The second tranche consisted of 8,061,125 common shares of the Company that qualify as "flow-through shares" for the purposes of the Income Tax Act (Canada) ("**FT Shares**") and were issued at a price of C\$0.64 per FT Share. The third tranche consisted of 14,862,167 common shares of the Company ("**Common Shares**") and were issued at a price of C\$0.52 per Common Share.

For details of the Company's plans for the balance of 2018 through June 2019, see press release dated May 30, 2018, available at www.puregoldmining.ca or www.Sedar.com.

Selected Financial Data

The following selected financial data is derived from our Financial Statements and related notes thereto for the periods indicated, as prepared in accordance with International Financial Reporting Standards. Details of these results are described in the unaudited condensed interim consolidated financial statements and Management's Discussion and Analysis for the three and nine months ended December 31, 2017. These documents can be found on the Company's website (www.puregoldmining.ca) or on SEDAR at www.sedar.com. All dollar figures are expressed in Canadian \$.

	Year ended March 31	
	2018	2017
Net Loss for the year	\$26,161,068	\$24,532,025
Exploration and evaluation expenditures	\$26,343,021	\$22,897,880
Total Comprehensive Loss for the year	\$26,161,068	\$24,982,799
Basic and diluted loss per share	\$0.13	\$0.15

	As at	
	March 31, 2018	March 31, 2017
Cash and short-term investments	\$7,443,078	\$16,531,815
Working capital (<i>current assets less current liabilities</i>)	\$5,245,238	\$13,153,928
Total assets	\$24,661,551	\$35,311,795
Current liabilities	\$3,317,770	\$5,103,527
Non-current liabilities	\$2,372,958	\$2,529,001
Shareholders' equity	\$18,970,823	\$27,679,267

This press release should be read in conjunction with Pure Gold's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended March 31, 2018. In addition, for further information please see Pure Gold's Annual Information Form for the year ended March 31, 2018. These documents can be found on the Company's website (www.puregoldmining.ca) or under the Company's profile on SEDAR at

www.sedar.com. Shareholders may receive a printed copy of the audited consolidated financial statements, free of charge, upon request.

GRANT OF INCENTIVE STOCK OPTIONS

The Company has granted incentive stock options to a consultant to purchase up to 200,000 common shares in the capital of the Company until June 11, 2023 at an exercise price of \$0.65 per share to First Global Capital, who provides investor relations activities to the Company. The incentive stock options were granted in accordance with the Company's Stock Option Plan.

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 world⁶. With an indicated resource of 1,744,000 ounces gold at 8.7 g/t gold (in 6.2 million tonnes) and an inferred resource of 296,000 ounces gold at 7.9 g/t gold (in 1.2 million tonnes)⁷, Madsen benefits from existing infrastructure including a mill and tailings facility, paved highway access, and access to power, water and experienced labour. A feasibility study is underway with results expected in the fourth quarter of 2018 and the Madsen Gold Project is firmly on the path to becoming Ontario's next gold mine.

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 gold 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.

⁶ Historic drill hole results and production figures and other details from the Madsen and Starratt-Olsen mines disclosed in this document were completed prior to the implementation of National Instrument 43-101. A full discussion and cautionary language can be found in the Madsen Technical Report, which can be found on Pure Gold's website at www.puregoldmining.ca or profile on SEDAR at www.sedar.com.

⁷ See the Madsen Technical Report, available on the Company's website at www.puregoldmining.ca or the Company's SEDAR profile at www.sedar.com.

ON BEHALF OF THE BOARD

"Darin Labrenz"

Darin Labrenz, President & CEO

Investor inquiries:

Tel: 604-646-8000

info@puregoldmining.ca

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 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 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.