

NEWS RELEASE 16-28

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PURE GOLD INTERSECTS 34.0 G/T GOLD OVER 11.0 METRES AT STARRATT

Results suggest significant potential from Madsen-style exploration target

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce results from drilling completed at Starratt, a regional target at the Company’s 100% owned Madsen Gold Project (“Madsen”). Results reported herein are part of the ongoing 77,000 metre Madsen drill program, and represent the first four drill holes at Starratt, a Madsen-style exploration target associated with the historic Starratt Olsen Mine, located 2.2 kilometres south of the Madsen No. 2 Shaft. Four drill rigs are currently active on site, with three rigs testing the McVeigh horizon and one testing satellite targets.

Results from the completed drill holes are outlined below:

Hole ID	From (m)	To (m)	Length* (m)	Gold (g/t)
PG16-198	559.0	570.0	11.0	34.0
<i>incl.</i>	<i>561.0</i>	<i>563.0</i>	<i>2.0</i>	<i>27.3</i>
<i>and incl.</i>	<i>567.0</i>	<i>570.0</i>	<i>3.0</i>	<i>104.1</i>
PG16-205	No significant results			
PG16-211	254.1	255.8	1.7	4.7
PG16-215 (**)	396.6	397.6	1.0	69.2

**Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 20% to 70% of true widths. It should be noted that PG16-198 has an estimated true thickness of 2.3 metres.*

***Partial results from 395.0 – 399.6 metres by metallic screen fire assay. Assaying of hole PG16-215 outside of this interval is incomplete.*

Exploration by Pure Gold has defined the setting of mineralization at Madsen, demonstrating that the McVeigh is a footwall continuation of the Austin horizon, is open in all directions, and remains largely untested. Ongoing surface exploration has traced the Austin-McVeigh horizon several kilometres to the south, where a similar setting is present at the historic Starratt-Olsen mine. Results to date suggest that the style of mineralization, alteration, and host rock bear a strong similarity with the Austin and McVeigh horizons⁽¹⁾.

“We are very excited by these results which support a geologic relationship between the Starratt target and Madsen Mine’s Austin and McVeigh horizons,” stated Darin Labrenz, President and CEO of Pure Gold. “Starratt was a sizable historic mine, and our initial efforts suggest it is a robust target that could potentially support expansion of the production profile at Madsen. The first results from Starratt confirm that it is open down plunge and along strike, and, importantly point to the scale of the mineralized system present at Madsen highlighting the significant upside potential of Pure Gold’s large land package.”

The results of Pure Gold’s ongoing exploration continue to reinforce that new geoscience and innovative ideas along with adequate resourcing can produce new discoveries in a historic mining district. While a portion of Pure Gold’s 2016 exploration program has been allocated to advancing satellite exploration targets, the primary focus

remains on advancing the McVeigh and Austin horizons at Madsen by continuing to step out below shallow historic mine workings and testing the depth and strike extents of mineralization.

Historic Starratt Olsen Mine

The Starratt Olsen Mine operated from 1948 to 1956 and is reported to have produced approximately 163,990 ounces gold at an average grade of 6.17 g/t gold from 823,554 tonnes of ore⁽²⁾. Underground production at Starratt spanned from surface to a vertical depth of 600 metres, with a strike extent of approximately 1,100 metres. Mineralization at the historic Starratt Olsen Mine is of a similar style and setting to that of the Madsen Mine with replacement-style, disseminated gold mineralization documented within three contiguous gold bearing zones. Although much of the historic mining and geologic records from the Starratt operations has been lost, Pure Gold recently located a hard copy data set dating back to 1958. The Company has begun capturing the data digitally and integrating it with Pure Gold's extensive proprietary data set for Madsen.

Starratt Exploration Target

The historic mine and the Starratt target lie within 100% owned patent claims that form a core part of Madsen. No mineral royalties apply to this area. The ongoing data compilation work has been supported by modern survey data collection including differential GPS and LiDAR data, high resolution airborne magnetics, and re-logging of historic drill core.

Digital geologic mapping at Madsen was initiated upon acquisition of the property, progressing to the south towards Starratt in 2015 and 2016. This work identified a continuation of the stratigraphic units and alteration zones which host the ores at Madsen and provided support for initial drill targeting at Starratt⁽¹⁾. Pure Gold's mapping suggests that the historic zones at Starratt are analogous in geologic setting to the McVeigh, South Austin, and Austin Horizons with mineralization occurring along structures that intersect geologic contacts at low angles.

Drilling Confirms Steeply Dipping Zone beneath Starratt Workings

Recent drilling below stopes off of the North end of the Starratt Mine have expanded the mineralization significantly down plunge from the mined zones. Drill hole PG16-198 represents the northernmost high grade gold intercept to date within the Starratt target (see long section figure). Furthermore this hole lies 300 metres below mined stopes, in an untested area. The true thickness for this intercept is estimated at 2.3 metres. The low angle of intersection of this hole was expected as initial reconnaissance drilling required targeting from the footwall for logistical reasons (see PG16-198 geologic cross section figure). PG16-215 intersected high grade mineralization above stopes at the south end of the historic mine. Together these drill holes span a 1,100 metre strike extent, confirming the robust nature of the mineralized system at Starratt. Further testing of the extents and nature of mineralization at Starratt is ongoing and will be prioritized in the context of other high priority regional targets.

For a map showing the location of Starratt, click link below:

<http://puregoldmining.ca/sites/default/files/Starratt-Location-Map-Oct-2016.pdf>

For a long section showing the Starratt target, click link below:

<http://puregoldmining.ca/sites/default/files/Starratt-Long-Section-10-03-2016.pdf>

For a cross section showing drill hole PG16-198, click link below:

<http://puregoldmining.ca/sites/default/files/Starratt-Geologic-Cross-Section-PG16-198.pdf>

For a long section showing Starratt to Madsen, click link below:

<http://puregoldmining.ca/sites/default/files/Starratt-to-Madsen-Long-Section-Oct-2016.pdf>

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

<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-October-03.pdf>

Pure Gold's 2016 exploration program is ongoing with three drill rigs currently testing the McVeigh horizon and a fourth drill rig testing satellite targets, including Russet South and Starratt. The program is expected to include 77,000 metres of core drilling in 2016. 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)⁽²⁾. 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 current 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) *The proximity and geologic similarities to Madsen does not mean that Pure Gold will obtain similar results at Starratt or other exploration targets on the Madsen Property. Starratt is an early stage exploration project and does not contain any mineral resource estimates as defined by NI 43-101. The potential to define a mineral resource at Starratt or other targets is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration at these or other targets at Madsen will yield a mineral resource*
- (2) *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.