

NEWS RELEASE 15-03

FEBRUARY 11, 2015

PURE GOLD REPORTS THIRD QUARTER FINANCIAL AND OPERATING RESULTS

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce its financial results and company highlights for the third quarter ended December 31, 2014 and provide an update on company activities at its Madsen Gold Project (“**Madsen**”), Canada.

“We’ve returned several high-grade intercepts in multiple target areas, improved understanding of geological controls on mineralization, and seen the advancement of several ultramafic-associated gold targets during our third quarter exploration program,” stated Darin Labrenz, President & CEO of Pure Gold. “Our plan for the fourth quarter will see increased field activity on the Madsen Gold Project. The Russet South target is particularly exciting because it exhibits all the key attributes of an ultramafic-associated high grade gold target, including shearing with intense alteration, and re-folded ultramafic rocks. Winter drilling has begun, and our initial exploration plans are focused on the Russet South because it is a high potential target area.”

Third quarter financial and operational highlights and significant events subsequent to quarter end:

- Completion of calendar 2014 drill program on the Madsen Gold Project.

During the quarter, Pure Gold completed its 2014 drill program at Madsen with a total of 6,895 metres drilled from 26 exploration drill holes. Pure Gold has been successful in discovering high-grade mineralization in the Fork Zone, McVeigh Ramp and Austin target areas. See Press Releases dated October 23 and October 29, 2014 and January 8, 2015 for all assay results from drilling received during and subsequent to the third quarter. All drilling in 2014 was conducted utilizing oriented core to help identify structural and stratigraphic controls on mineralization. Highlight from drilling include:

- 7.0 g/t gold over 9.0 metres including 26.6 g/t gold over 2.0 metres from hole PG14-024; and
- 15.5 g/t gold over 1.0 metres from hole PG14-014; and
- 17.2 g/t gold over 3.5 metres including 33.80 g/t gold over 1.6 metres from hole PG14-011; and
- 14.6 g/t gold over 1.8 metres including 22.5 g/t gold over 1.0 metres from hole PG14-006;

Pure Gold is currently conducting a winter drill program which commenced in late January 2015. The winter drill program will target prospective structures at both the Russet South and Fork Zone targets, with a goal of discovering new zones of high-grade mineralization along the ultramafic contact. At Russet South, structural and alteration mapping, soil and rock geochemical sampling and geologic interpretation have significantly advanced priority target areas to drill-ready status. At the Fork Zone, recently completed MMI™ soil sampling has returned geochemical anomalism south of recent drilling by the Company, supporting the potential for down plunge extensions to previously reported high-grade intercepts. Modelling and interpretation of Pure Gold drilling in conjunction with re-logging of historic drilling in the area has been utilized to develop targets for follow-up drilling.

Subsequent to quarter end, Pure Gold announced a bought-deal private placement consisting of up to 16,071,429 flow-through common shares and 3,571,429 common shares issued at \$0.35 and \$0.28 per share

respectively, raising gross proceeds of up to \$6.63 million assuming full exercise of an underwriters option. The financing is subject to customary regulatory approvals and is expected to close on or about February 20, 2015.

SELECTED FINANCIAL DATA

The following selected financial data is derived from our unaudited condensed interim consolidated 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 nine months ended December 31, 2014. These documents can be found on the Company's website (www.puregoldmining.ca) or on SEDAR at www.sedar.com. All amounts are expressed in Canadian \$.

	Three months ended December 31		Nine months ended December 31	
	2014	2013	2014	2013
Loss and comprehensive loss for the period	\$1,962,672	\$142,490	\$5,220,952	\$329,957
Basic and diluted loss per share	\$0.02	\$0.02	\$0.05	\$0.04

	As at	
	December 31, 2014	March 31, 2014
Cash and short-term investments	\$2,420,805	\$9,026,899
Restricted cash	\$-	\$104,224
Working capital	\$2,567,861	\$6,139,719
Total assets	\$22,274,872	\$25,239,751
Current liabilities	\$229,402	\$3,191,633
Non-current liabilities	\$2,477,032	\$2,320,238
Shareholders' equity	\$19,568,438	\$19,727,880

Three and nine months ended December 31, 2014 vs. three and nine months ended December 31, 2013.

Losses from operations totaled \$2.0 million and \$5.3 million for the three and nine months ended December 31, 2014 compared to \$0.1 million and \$0.4 million for the same periods in the prior year. The most significant contributors to the loss for the three and nine month period ended December 31, 2014 were (i) exploration and evaluation expenditures of \$1.5 million and \$3.1 million, (ii) non-cash share-based compensation expense of \$0.1 million and \$0.8 million, (iii) wages, consulting and directors fees of \$0.2 million and \$0.6 million, (iv) investor relations and communication expenditures of \$48,576 and \$0.4 million, and (v) office and rent expenditures of \$0.1 million and \$0.2 million. The most significant contributors to the loss for the three and nine months ended December 31, 2013 respectively were (i) wages, consulting and directors fees of \$0.1 million and \$0.3 million, (ii) professional fees of \$32,124 and \$32,807 and (iii) office and rent expenditures of \$19,858 and \$0.1 million.

Exploration and evaluation expenditures totalled \$1.5 million and \$3.1 million for the three and nine months ended December 31, 2014, an increase of \$1.5 million and \$3.1 million respectively, compared to \$1,287 and \$7,976 for the same periods in the prior year. The Company acquired Madsen in March 2014 and quickly embarked on its exploration program for the project, leading to a significant increase in exploration and evaluation expenditures for the current year compared to the same periods in fiscal 2014. Fiscal 2014 saw very little exploration activity as the Company continued its search for a new project

Share-based compensation expense for the three and nine months ended December 31, 2014 totaled \$0.1 million and \$0.8 million respectively, compared to \$nil and \$285 for the same periods in 2013. The increase in share-based compensation expenses is a direct result of the granting of stock options during the first quarter of fiscal 2015. There were no stock option grants during the three or nine month period ended December 31, 2013.

Wages, consulting and director fees increased by \$0.1 million and \$0.3 million respectively to \$0.2 million and \$0.6 million for the three and nine month periods ended December 31, 2014 compared to \$0.1 million and \$0.3 million for the same period in the prior year. The change was solely due to an increase in payroll and consulting fees as the Company ramped up activities following the acquisition of Madsen in March 2014. New staff has been hired to build out the team to manage the increased activity levels within the Company. In 2013, activity levels were minimized as the Company focussed its efforts on acquiring a new transformative project.

Investor relations and communication expenses totaled \$48,576 and \$0.4 million for the three and nine months ended December 31, 2014 compared to \$910 and \$910 for the same periods in the prior year. The increase in investor relations and communication expenses for the current periods is due to the Company incurring costs to develop a new brand name, brand signature, approach and foundation to reposition and build the long-term brand equity of the Company and to advise the markets about the Company's new Madsen acquisition and new project focus.

Office and rent expense increased by \$0.1 million and \$0.2 million for the three and nine month periods ended December 31, 2014 to \$0.1 million and \$0.2 million respectively compared to \$19,858 and \$0.1 million for the same periods in the prior year. The Company moved to a new office in March of 2014 to accommodate the increased staffing levels required for the Madsen project resulting in an increase in office costs incurred for fiscal 2015 over fiscal 2014.

Total assets decreased by \$2.9 million as at December 31, 2014 in comparison to March 31, 2014. The decrease in total assets resulted from cash operating expenditures totalling \$4.5 million, property, plant and equipment acquired of \$0.2 million and from the \$2.5 million final cash payment made to Claude in August 2014 for the final amount owing on the Madsen acquisition, all of which reduced cash on the Statement of Financial Position. The decrease in total assets was offset by cash received on the exercise of compensation options and underlying warrants and from the exercise of stock options totalling \$1.5 million and the acquisition of the Newman-Madsen property for \$2.8 million in common shares of the Company.

At December 31, 2014, our current liabilities consist of (i) trade accounts payable and accrued liabilities of \$0.2 million (March 31, 2014 – \$0.6 million); and (ii) mineral property funding obligations related to our Antofagasta Alliance Agreement of \$Nil (March 31, 2014 - \$0.1 million).

At December 31, 2014 and March 31, 2014, our non-current liabilities consist of a provision for closure and reclamation costs with respect to future reclamation work to be performed on our Madsen Gold Project totalling \$2.5 million (March 31, 2014 - \$2.3 million). The increase of \$0.2 million during the nine month period December 31, 2014 in comparison to March 31, 2014 was due to a combination of a change in estimate relating to the discount rate used in calculating the present value of the future reclamation obligation and accretion as a result of the normal passage of time.

Darren O'Brien, P.Geol., Vice President, Exploration, is the Company's designated Qualified Person for this news release within the meaning of NI 43-101 and has reviewed and validated that the scientific and technical information contained in this release is accurate.

This press release should be read in conjunction with Pure Gold's unaudited condensed consolidated financial statements and Management's Discussion and Analysis for the nine months ended December 31, 2014. 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. All amounts are presented in Canadian dollars.

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 multi-million-ounce gold discovery at the Madsen Gold Project in Red Lake, Ontario. And become Canada's next iconic gold company.

For more information, visit www.puregoldmining.ca or contact:

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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 July 4, 2014 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.