

NEWS RELEASE 16-18

July 14, 2016

PURE GOLD EXTENDS HIGH GRADE GOLD TO A DEPTH OF 275 METRES – 170 METRES BELOW HISTORIC WORKINGS AT MADSEN GOLD PROJECT

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce additional drill results from the ongoing 51,000 metre drill program at the Company’s 100% owned Madsen Gold Project (“Madsen”). Results reported herein represent the first set of holes from the expanded three rig drill program, designed to discover new resources and build continuity of high grade gold in close proximity to the existing permitted mining infrastructure.

Highlights from new drilling include:

- **51.9 g/t gold over 1.0 metre** in hole PG16-123 (Austin)
- **26.6 g/t gold over 2.0 metres** in hole PG16-124 (Austin)
- **450.0 g/t gold over 1.0 metre** in hole PG16-124 (Confederation)
- **5.3 g/t gold over 8.5 metres** in hole PG16-136 (McVeigh)
 - Including **24.0 g/t gold over 1.0 metre**

The McVeigh Horizon – Extended at Depth

Pure Gold continues to demonstrate that gold in the McVeigh horizon extends well below shallow historic workings and is open for expansion. With pierce points into mineralization adding 170 metres of vertical extent to the gold system, it is clear that the depth of the historic workings is not reflective of the true magnitude of the gold mineralization at Madsen.

The evidence for gold mineralization at depth in the McVeigh horizon is further reinforced by results published by a previous operator. Several historic drill holes, designed to test other targets, returned high grade gold in the McVeigh horizon. These results include 61.9 g/t gold over 0.7 metres (MUG-11-17) at a vertical depth of 980 metres and 17.7 g/t gold over 2.0 metres (MUG-12-29) at a vertical depth of 1,060 metres¹.

With gold bearing intersections in the McVeigh from surface to over a kilometre vertical depth, it is clear that this horizon has the potential for significant endowment. Comparatively the parallel Austin Horizon, situated 150 metres in the hanging wall of the McVeigh, was mined from surface to a depth of 1.2 kilometres, with mineralization remaining open down plunge. It produced over two million ounces from 1938 to 1974^{1,2}.

In addition to results reported herein, an additional 6,300 meters in 23 drill holes have been completed in the McVeigh horizon to date, with assay results pending. Three drill rigs are expected to continue to test this target for the next several months.

The Austin Horizon – Confirmation of Additional Near Surface Mineralization

While the current drilling strategy is focused on defining new gold mineralization within the McVeigh horizon, it is also testing the unmined portions of the Austin horizon. The results of Pure Gold’s 2016 drilling program confirm that the Austin horizon remains a viable target horizon for resource delineation and expansion. The recently completed Preliminary Economic Assessment envisions potential production from a subset of the current mineral resource, part of which is hosted in the Austin horizon¹. The ongoing 2016 drill program will continue to test the Austin horizon in conjunction with targeting the McVeigh horizon.

Confederation Assemblage – Returns 450.0 g/t Gold Over 1.0 Metre in Hole PG16-124

Drilling targeting the McVeigh horizon intersected bonanza grade gold mineralization in hole PG16-124 at shallow depths in the hanging wall Confederation Assemblage rocks. Further study is required to assess the prospectivity and dimensions of this high grade near surface intercept. Gold mineralization is known to occur in Confederation aged rocks elsewhere in the Red Lake District and on the Madsen Property, including the Madsen #1 Shaft zone where limited production occurred in 1936, 1974 and 1998¹.

Drill Results Summary

New assay results from select drill holes are outlined below:

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)	Zone
PG16-123	8.0	9.0	1.0	51.9	Austin
PG16-124	104.0	105.0	1.0	450.0	Confederation
	234.0	235.7	1.7	10.3	Austin
	252.0	254.0	2.0	26.6	Austin
PG16-135	195.2	206.0	10.8	4.0	Austin
<i>incl.</i>	<i>195.2</i>	<i>197.0</i>	<i>1.8</i>	<i>10.3</i>	
PG16-136	397.7	406.2	8.5	5.3	McVeigh
<i>incl.</i>	<i>400.3</i>	<i>401.3</i>	<i>1.0</i>	<i>24.0</i>	

**Assay composites were calculated using uncut assays and are reported as drilled widths and interpreted to vary between 50% to 97% of true widths.*

For a long section showing the McVeigh horizon drill results, click link below:

<http://puregoldmining.ca/sites/default/files/McVeigh-Long-Section-07-14-2016.pdf>

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

<http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-July-14.pdf>

Pure Gold’s expanded 2016 exploration program is in-progress with three drill rigs currently testing the McVeigh horizon. The program includes 51,000 metres of core drilling, of which 21,316 metres have been completed and released to date. 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)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.

(2) Historic production results from the Austin horizon provide no certainty that similar results will be realized from the McVeigh horizon.

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.