

NEWS RELEASE 16-27

September 29, 2016

PURE GOLD ANNOUNCES SUBSTANTIAL INCREASE TO 2016 EXPLORATION PROGRAM AT THE MADSEN GOLD PROJECT

Additional 26,000 metre autumn drill program underway, increasing total drilling to 77,000 metres for 2016

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce a significant increase to its on-going 2016 exploration program with the addition of 26,000 metres of diamond drilling at the Company’s 100% owned Madsen Gold Project (“Madsen”). The autumn drilling program will increase the total planned drilling for 2016 to approximately 77,000 metres.

“I am happy to announce another significant increase in our exploration program at Madsen this year,” stated Darin Labrenz, President and CEO of Pure Gold. “With a very successful exploration program and positive results to date in 2016, as well as a strong treasury position, we look forward to building on our accomplishments at Madsen. The addition of an autumn drill program allows us to continue to step out below shallow historic mine workings within the McVeigh and test the depth extents of the mineralization. With one of the highest grade undeveloped gold resources in Canada, located in a well-endowed and proven mining district, Pure Gold is well positioned to continue to target significant growth potential at Madsen.”

Planned \$5.8 million Autumn Drill Program

The significant expansion to the on-going drill program will allow the Company to continue its successful exploration at Madsen, and carry on exploration to expand on the existing resource base. The autumn drill program is anticipated to provide for continuous drilling through to December 2016.

The planned \$5.8 million increase to the 2016 budget will include:

- An additional 26,000 metres of diamond drilling focused on potential expansion of the McVeigh horizon at depth as well as growth from property-wide targets. Four drill rigs are currently active at Madsen – three focused on the McVeigh horizon and a fourth on satellite targets.
- Initiation of the underground exploration program, including re-opening of the portal, and connection of underground services for the decline which currently provides ramp access to the top 150 vertical metres of the McVeigh horizon.
- Completion of underground inspection to confirm condition of workings and ventilation requirements.
- Initiation of detailed underground mapping to confirm structural setting and characterize mineralization.

Appointment of Ken Donner as Vice President, Operations

Pure Gold is also pleased to announce the addition of Ken Donner as Vice President, Operations. Mr. Donner will initially be focused on development management at Madsen, including the re-opening of the existing McVeigh portal and rehabilitation of surface infrastructure. The Company currently anticipates receiving all approvals to allow for re-opening of the portal in calendar Q4 2016.

Mr. Donner is a Professional Engineer with certification in Professional Project Management and has 30 years of mining industry experience, including 20 years in senior management positions where he gained extensive knowledge in managing and operating underground mines. He was most recently with AMEC Foster Wheeler

where he managed the construction of a new ventilation shaft for Newmont Mining's Leeville Mine in Nevada. His previous roles include Project Manager of Brett Resources' Hammond Reef project and Operations Manager at Oceana Gold's Macraes Mine in New Zealand. In addition, Mr. Donner has worked as underground manager at several mining operations and development projects including the New Afton, Snap Lake, and Snip Mines. Mr. Donner holds a Certificate in Project Management from the University of Victoria, a MBA specializing in Technology/Engineering Management from Bellevue City University and a Geological Engineering degree from the University of Windsor.

Pure Gold's 2016 exploration program is on-going with three drill rigs currently testing the McVeigh horizon and a fourth drill rig testing satellite targets, including Russet South. The previously announced 51,000 metres of drilling is anticipated to be completed by the end of September 2016, of which 41,610 metres have been completed and released to date. The 2016 exploration program has now been expanded to include 77,000 metres of core drilling, with further results to be released as available.

For an overview long section showing the McVeigh horizon, click link below:

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

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

<http://puregoldmining.ca/sites/default/files/PGM-Exploration-Targets-Sep-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-September-27.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 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) 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"

Darin Labrenz, President & CEO

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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.