

NEWS RELEASE 18-12

May 24, 2018

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PURE GOLD CLOSES PREVIOUSLY ANNOUNCED BOUGHT DEAL PRIVATE PLACEMENT AND CONCURRENT NON-BROKERED PRIVATE PLACEMENT FOR GROSS PROCEEDS OF C\$20.9 MILLION

VANCOUVER, B.C. – Pure Gold Mining Inc. (PGM – TSX-V) (“Pure Gold” or the “Company”) is pleased to announce that it has closed the bought deal private placement (the “**Offering**”) and concurrent non-brokered private placement (the “**Anglogold Private Placement**”) and together with the Offering, the “**Transactions**”) announced and upsized on April 27, 2018.

Pursuant to the Offering, the Company issued a total of 16,130,000 units of the Company (the “**Units**”), at a price of C\$0.62 per Unit, for gross proceeds of C\$10,000,600, and 4,000,000 common shares of the Company issued on a flow-through basis (the “**FT Shares**”), at a price of C\$0.75 per FT Share, for gross proceeds of C\$3,000,000, for aggregate gross proceeds from the Offering of C\$13,000,600.

Each Unit consists 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 is transferrable and entitles the holder to acquire one common share of the Company until May 24, 2020 at a price of C\$0.85.

The Offering was completed through a syndicate of underwriters led by Sprott Capital Partners and including Macquarie Capital Markets Canada Ltd., Raymond James Ltd., Haywood Securities Inc., Velocity Trade Capital Ltd., Canaccord Genuity Corp., and Echelon Wealth Partners. In consideration for their services, the underwriters received an aggregate cash commission equal to 6.0% of the gross proceeds of the Offering.

Pursuant to the Anglogold Private Placement, Anglogold Ashanti Limited (“**Anglogold**”) has purchased 12,800,000 Units at a price of C\$0.62 per Unit for gross proceeds of C\$7,936,000, on a non-brokered private placement basis, increasing its ownership percentage in the Company to 14.9% of the common shares issued and outstanding on a non-diluted basis.

Due to its share ownership, Anglogold is considered a “related party” of Pure Gold and, accordingly, the Anglogold Private Placement constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 (“MI 61-101”). The Anglogold Private Placement was exempt from the minority approval requirement of Section 5.6 and the formal valuation requirement of Section 5.4 of MI 61-101 as neither the fair market value of the Anglogold Private Placement, nor the fair market value of the consideration for the Anglogold Private Placement, exceeded 25% of Pure Gold’s market capitalization.

The securities issued under the Transactions have a hold period of four months and one day from closing, expiring on September 25, 2018.

The gross proceeds raised from the sale of the FT Shares will be used by the Company for exploration financing that will qualify as “Canadian Exploration Expenses”, as that term is defined in the *Income Tax Act* (Canada) only. The net proceeds raised from the sale of the Units will be used by the Company for exploration and development of the Company’s Madsen gold project, as well as for general working capital purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note on Forward-Looking Information

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 the expected use of proceeds of the Transactions. 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 16, 2017 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.