

NEWS RELEASE 14-12

August 15, 2014

PURE GOLD REPORTS Q1 2014 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 first quarter ended June 30, 2014 and provide an update on company activities at its Madsen Gold Project, Canada.

“During the quarter we further consolidated our Madsen Gold Project through the acquisition of the Newman-Madsen property, which provides additional exposure to prospective horizons along the 12 km-long Madsen Mine Trend,” stated Darin Labrenz, Pure Gold President & CEO. “With our consolidated land position in the Red Lake district, and our strengthened Board and Management team in place, we are now focused on evaluating the results from our Phase 1 exploration program and initiating Phase 2, which will include 9,000 metres of drilling on high priority targets.”

Financial and operational highlights through and subsequent to quarter end:

- On June 24, 2014, the Company acquired a 100% interest in the Newman-Madsen Property from Sabina Gold & Silver Corp. for proceeds consisting of 6,500,000 common shares of the Company with a value of \$2.8 million. The Newman-Madsen Property consists of 38 patented mining claims and is adjacent to the Company’s Madsen Gold Property (“**Madsen**”) in the prolific Red Lake gold camp. Newman-Madsen adds over 700 hectares of prospective ground to Madsen.
- Following the successful acquisition of Madsen in March 2014, the Company has now begun a comprehensive exploration program at the project. The Company’s current program will be split into two phases. Phase 1, now underway, is designed to better define drill-ready targets and generate new targets. Exploration crews have been mobilized to site and are re-logging and sampling drill core, compiling historic geologic data, conducting structural mapping, and interpreting a new airborne magnetic geophysical survey. Phase 2 will commence in mid-August and is anticipated to include a 9,000 metre drill program designed to test the initial targets generated in Phase 1.

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 three months ended June 30, 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 June 30	
	2014	2013
Loss and comprehensive loss for the period	(\$1,613,854)	(\$104,869)
Basic and diluted loss per share	(\$0.02)	(\$0.01)

	As at	
	June 30, 2014	March 31, 2014
Cash and short-term investments	\$7,810,033	\$9,026,899
Restricted cash	\$9,123	\$104,224
Working capital	\$4,994,219	\$6,139,719
Total assets	\$26,887,490	\$25,239,751
Current liabilities	\$3,012,356	\$3,191,633
Non-current liabilities	\$2,372,044	\$2,320,238
Shareholders' equity	\$21,503,090	\$19,727,880

For the three months ended June 30, 2014, the Company incurred a loss of \$1.6 million compared to a loss of \$0.1 million for the same period in 2013.

Share based compensation expense increased significantly for the three months ended June 30, 2014 to \$0.6 million compared to \$2,068 for the same period in 2013 reflecting an option grant to directors and employees during the period compared to no option grants for the same period in the prior year.

Exploration and evaluation expenditures totalled \$0.6 million for the three months ended June 30, 2014, compared to \$2,549 for the same period in 2013. The Company expenses exploration and evaluation expenditures as incurred. The increased expense for the three months ended June 30, 2014 is reflective of the commencement of the Phase 1 exploration program at Madsen which was acquired in March 2014. For the same period in 2013, there was minimal activity at the Company's mineral projects.

Wages, consulting and director fees increased by \$0.1 million from \$93,296 for the three months ended June 30, 2013 to \$0.2 million for the three months ended June 30, 2014. The change was largely 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 increased by \$0.1 million from \$nil for the three months ended June 30, 2013 to \$0.1 million for the same period in 2014. The increase in investor relations and communication for the current period is due to the Company incurring costs with respect to the Company's name change, developing a new brand name, brand signature, approach and foundation to reposition and build the long-term brand

equity of the Company. In 2013, activity levels were minimized as the Company focussed its efforts on acquiring a new transformative project.

Office and rent expense increased by \$53,318 from \$21,578 for the three months ended June 30, 2013 to \$74,896 for the same period in 2014. 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.

Total assets increased by \$1.7 million as at June 30, 2014 in comparison to March 31, 2014 due to the successful acquisition of the Newman-Madsen property for \$2.8 million. The total assets acquired were offset by operating expenditures totalling \$1.0 million and investing expenditures of \$0.1 million, both of which reduced cash on the balance sheet.

At June 30, 2014, our current liabilities comprise (i) trade accounts payable and accrued liabilities of \$0.5 million (March 31, 2014 – \$0.5 million) (ii) mineral property funding obligations related to our Antofagasta Alliance Agreement of \$9,123 (March 31, 2014 - \$0.1 million) and (iii) other liabilities of \$2.5 million (March 31, 2014 - \$2.5 million) which consists of the final payment to Claude for Madsen.

At June 30, 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 totaling \$2.4 million.

Darren O'Brien, P. Geo., 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 three months ended June 30, 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.