

NEWS RELEASE 14-16

NOVEMBER 13, 2014

PURE GOLD REPORTS Q2 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 second quarter ended September 30, 2014 and provide an update on company activities at its Madsen Gold Project (“**Madsen**”), Canada.

“We’ve made great progress with our recent exploration program at the Madsen Gold Project,” said President and CEO Darin Labrenz. “Drilling results are coming in, and our exploration team is excited to follow up on the ultramafic trend during the coming months. I look forward to bringing further updates to shareholders as we continue this comprehensive exploration program.”

Second Quarter Financial and operational highlights and significant events subsequent to quarter end:

- On August 28, 2014, the Company made the final payment to Claude Resources Inc. of \$2.5 million to complete the acquisition of the Madsen property.
- Commencement of drilling on the Madsen Gold Project.

During the quarter, the Company continued Phase I of its planned exploration program at Madsen, which includes a comprehensive program of re-logging and sampling historic drill core, compiling historic geologic data, conducting structural mapping, and interpreting a new airborne magnetic geophysical survey, designed to help identify new targets for drilling. The Phase II drill program commenced in the second quarter with 12 drill holes completed on the Fork Zone, McVeigh and Junction targets. See Press Releases dated October 23 and October 29, 2014 for assay results received to date including visible gold identified in three holes. Highlight from the Fork Zone drilling include:

- 14.6 g/t gold over 1.8 metres from hole PG14-006; and
- 11.1 g/t gold over 1.0 metres from hole PG14-009; and
- 17.2 g/t gold over 3.5 metres from hold PG14-011

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 six months ended September 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 September 30		Six months ended September 30	
	2014	2013	2014	2013
Loss and comprehensive loss for the period	\$1,644,426	\$82,598	\$3,258,280	\$187,467
Basic and diluted loss per share	\$0.02	\$0.01	\$0.03	\$0.02

	As at	
	September 30, 2014	March 31, 2014
Cash and short-term investments	\$4,877,734	\$9,026,899
Restricted cash	\$-	\$104,224
Working capital	\$4,851,990	\$6,139,719
Total assets	\$24,224,159	\$25,239,751
Current liabilities	\$401,058	\$3,191,633
Non-current liabilities	\$2,396,673	\$2,320,238
Shareholders' equity	\$21,426,428	\$19,727,880

Three and six months ended September 30, 2014 vs. three and six months ended September 30, 2013.

Losses from operations totaled \$1.6 million and \$3.2 million for the three and six months ended September 30, 2014 compared to \$0.1 million and \$0.2 million for the same periods in the prior year. The most significant contributors to the loss for the three and six month period ended September 30, 2014 was (i) exploration and evaluation expenditures of \$1.0 million and \$1.6 million, (ii) non-cash share-based compensation expense of \$0.1 million and \$0.7 million, (iii) wages, consulting and directors fees of \$0.2 million and \$0.4 million, (iv) investor relations and communication expenditures of \$0.2 million and \$0.3 million, and (v) office and rent expenditures of \$83,836 and \$0.1 million. The most significant contributors to the loss for the three and six months ended September 30, 2013 respectively were (i) wages and consulting fees of \$75,889 and \$0.1 million, (ii) office and rent expenditures of \$19,980 and \$41,558 and (iii) exploration and evaluation expenditures of \$4,140 and \$6,689.

Exploration and evaluation expenditures totalled \$1.0 million and \$1.6 million for the three and six months ended September 30, 2014, an increase of \$1.0 million and \$1.6 million respectively, compared to \$4,140 and \$6,689 for the same period in the prior year. The Company acquired Madsen in March 2014 and quickly embarked on its two phase exploration program for the project leading to a significant increase in exploration and evaluation expenditures for the current year compared to fiscal 2014. Fiscal 2014 saw very little exploration activity as the Company continued its search for a new project which eventually culminated in the acquisition of Madsen and then the Newman-Madsen property. During the three and six month periods ended September 30, 2014, the Company had a refundable mineral exploration tax credit receivable of \$161,511 for eligible exploration expenditures incurred in the Province of Quebec relating to the Antofagasta alliance (which terminated in July 2014). This amount has been recorded as an offset to exploration and evaluation expenditures.

Share-based compensation expense for the three and six months ended September 30, 2014 totaled \$0.1 million and \$0.7 million respectively, compared to (\$1,783) and \$285 for the same periods in 2013. The increase in stock based compensation expenses is a direct result of the granting of 4,680,000 stock options to new directors and new and existing employees during the first quarter of fiscal 2015. All stock options granted to non-executive directors vested immediately resulting in the immediate recognition of the corresponding share based compensation expense on the date of grant. Stock options granted to executive directors and employees will vest over three years with the corresponding share-based compensation expense being recognized over this period. There were no stock option grants during the three or six month period ended September 30, 2013. Share-based compensation expense during the three and six month period ended September 30, 2013 related to 30,000 stock options granted during the year ended March 31, 2013 and which had partially vested during the six month period ended September 30, 2013. These 30,000 stock options were then forfeited during the six month period ended September 30, 2013 resulting in the reversal of \$1,783 relating to 22,500 unvested stock options.

Wages, consulting and director fees increased by \$0.1 million and \$0.2 million respectively to \$0.2 million and \$0.4 million for the three and six month periods ended September 30, 2014 compared to \$75,889 and \$169,185 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 \$0.2 million and \$0.3 million for the three and six months ended September 30, 2014 compared to \$ nil and \$ nil 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. In fiscal 2014, activity levels were minimized as the Company focused its efforts on acquiring a new transformative project.

Office and rent expense increased by \$63,856 and \$0.1 million for the three and six month periods ended September 30, 2014 to \$83,836 and \$0.1 million respectively compared to \$19,980 and \$41,558 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 \$1.0 million as at September 30, 2014 in comparison to March 31, 2014. The decrease in total assets resulted from cash operating expenditures totalling \$2.5 million, deposits paid of \$0.2 million, property, plant and equipment acquired of \$0.1 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 totalling \$1.5 million and the acquisition of the Newman-Madsen property for \$2.8 million in common shares of the Company.

At September 30, 2014, our current liabilities comprise (i) trade accounts payable and accrued liabilities of \$0.4 million (March 31, 2014 – \$0.5 million); and (ii) mineral property funding obligations related to our Antofagasta Alliance Agreement of \$Nil (March 31, 2014 - \$0.1 million).

At September 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 (March 31, 2014 - \$2.3 million). The increase during the six month period September 30, 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.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.