Pure Gold Mining Inc.

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2021

Dated November 12, 2021

Pure Gold Mining Inc.
Management's Discussion and Analysis
For the three and nine months ended September 30, 2021

This Management's Discussion and Analysis (the "**MD&A**"), dated as of November 12, 2021, is for the third quarter ended September 30, 2021 and should be read in conjunction with the unaudited condensed interim financial statements, including the related notes thereto, for the nine months ended September 30, 2021 (together, the "**Interim Financial Statements**"), as well as the audited consolidated financial statements,including the related notes thereto, for the fiscal years ended December 31, 2020 and 2019 (together, the "**Annual Financial Statements**") of Pure Gold Mining Inc. (also referred to as "**Pure Gold**", or the "**Company**", or "**we**", or "**our**", or "**its**" or "**us**" within this MD&A), and our other corporate filings includingour Annual Information Form for the fiscal year ended December 31, 2020 dated March 31, 2021 (the "**AIF**"), available under Pure Gold's profile on SEDAR at www.sedar.com.

This MD&A contains forward looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable dueto their uncertain nature. Should one or more of these risks and uncertainties, including those describedunder the heading "**Risk factors**" in our AIF and those set forth in this MD&A under the headings "Cautionary Notes Regarding Forward-Looking Statements" and "Industry and Economic Factors that MayAffect our Business" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

The disclosure of technical information in this MD&A has been approved by Darin Labrenz, P. Geo, President & CEO of the Company, and a Qualified Person ("**QP**") for the purposes of National Instrument43-101, Standards of Disclosure for Mineral Projects ("**NI 43-101**"). Readers are directed to the section entitled "Scientific and Technical Disclosure" included within this MD&A.

The Company is listed on the TSX Venture Exchange ("**TSX-V**") in Canada under the symbol PGM and on the London Stock Exchange ("**LSE**") under the symbol PUR. All dollar amounts stated in this MD&A are expressed in Canadian dollars ("$") unless noted otherwise.

Highlights for the Third Quarter 2021 and Significant Subsequent Events

A summary of the highlights for the three months ended September 30, 2021, and subsequent period to date for the Company and its 100% owned PureGold Mine Project ("**PureGold Mine**" or the "**Project")** are as follows:

- Declared commercial production on August 1, 2021;
- Announced on October 27, 2021, that Maryse Belanger, director, and experienced mine operator and builder, has agreed to step into the role of Mine General Manager at the PureGold Mine, following retirement by the incumbent. In this role, Ms. Bélanger will oversee all aspects of the day-to-day operations of the PureGold Mine;[1]
- Average daily throughput of 685 tonnes per day ("tpd") at the PureGold Mine for the quarter, a 35% increase compared to the second quarter driven by increased stope access and mill upgrades;
- Gold production of 9,260 ounces, a 54% increase compared to the second quarter driven by higher grades and increased tonnage;

[1] See press release dated October 27, 2021 available at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

- Average mill head grade of 4.8 g/t Au, a 15% increase on the second quarter;

- Completion of mill upgrades to increase processing capacity, 1,000 tpd achieved for a number of days;

- Continued progress on permit amendments to increase annual ore production limits from 292,000 tonnes (800 tpd) to 360,000 tonnes (1,000 tpd);

- Announced quarterly drilling results used to support near-term mine production from both the Main and East ramp, with highlights as follows:[2]
    - **55.4 g/t gold over 5.0 metres** from drill hole PGP-00072; including **83.2 g/t gold over 2.0 metres**; and including **50.3 g/t gold over 2.0 metres**;
    - **14.5 g/t gold over 13.2 metres** from drill hole PGP-00086; including **116.7 g/t gold over 1.0 metre**;
    - **10.1 g/t gold over 7.8 metres** from drill hole PGP-00091; including **44.2 g/t gold over 1.0 metre**;
    - **18.2 g/t gold over 3.9 metres** from drill hole PGP-00070; including **30.1 g/t gold over 1.9 metres**.

- On September 28, 2021, the Company closed a bought deal offering of 21,905,200 units of the Company ("**Units**") at a price of C$1.05 per Unit for gross proceeds to the Company of C$23,000,460 (the "**Offering**"). Each Unit is comprised of one common share (each a "**Common Share**") and one-half Common Share purchase warrant (each such full warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of C$1.36 until March 28, 2023. [3]

- On October 15, 2021, the Company closed a further financing on similar terms to the September 28, 2021 financing, when it issued a total of 3,307,619 Units of the Company to AngloGold Ashanti International Exploration Limited ("**AngloGold**") at a price of C$1.05 per Unit, for aggregate gross proceeds of approximately C$3,473,000. This private placement financing brought AngloGold's then ownership percentage in the Company to 14.96% of the issued and then outstanding common shares on a non-diluted basis. Each Unit consists of one Common Share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, an "**AngloGold Warrant**"). Each AngloGold Warrant is transferrable and entitles the holder to acquire one Common Share of the Company until April 15, 2023, at a price of C$1.36.[4]

Outlook

In the third quarter, the Company approved an increase from two to four rigs for its ongoing underground and surface drill program with the goal of further delineation and growth of our near-term mine plan.

Updated Production Guidance

For the first three quarters of 2021, accelerated ramp development and definition drilling have been successful in opening up the underground mine which, in turn, has driven steady improvements in throughput and grade year to date. The Company is confident that these programs will continue to deliver steady improvements going

[2] See press release dated October 28, 2021 available at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

[3] See press release dated September 28, 2021 available at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

[4] See press release dated October 15, 2021 available at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

forward, though the forecasted pace of ramp-up has been revised based on trends observed to date. As such, the Company is targeting a production rate of approximately 600-700 tpd at an average head grade of 5.5-6.5 g/t Au for the fourth quarter of 2021 and expects to continue ramping up both throughput and mill head grade toward the mine's full capacity by the end of Q1 2022. The Company now expects to sustain 1,000 tpd by mid-2022. This change from the guidance announced in August 2021 reflects slower than expected ramp up to allow for additional definitional drilling to inform mine design and mine scheduling. Until the Company reaches this expected level of sustained throughput and expected grade, non-IFRS financial measures such as Cash costs per ounce and All-in sustaining costs ("**AISC**") per ounce, which rely on ounces produced in their calculation, are not representative of the future mine plan and are not provided herein. The Company expects to begin to provide these numbers in Q1 of 2022.

Other key opportunities identified to enhance the PureGold Mine Project over the project life including:

- Potential expansion of the PureGold Mine resource, through application of the Company's geologic model to target extensions to the known resource, including:
    - Potential conversion of the inferred resources in the PureGold Mine deposit to measuredand indicated, currently totaling 241,000 ounces of gold (0.9 million tonnes at 8.4 g/t gold);
    - High-grade 8 Zone expansion potential beyond the reserve scheduled to commence mining in year four of operations;
    - Potential depth extensions of the PureGold Mine deposit which remains open at depth and along strike;
    - Continue exploration at Russet South, Fork, Wedge and other targets across the +5- kilometre mineral system in place at the PureGold Mine property, where strong potential exists for continued growth;
- In addition, the Company plans to begin a search for new projects that may be available for acquisition to enhance shareholder value.

With the Fork, Russet South, and Wedge zones and the recent target identified up-dip of the 8-Zone, PureGold has the potential to either add mine life or improve annual production throughput at the PureGold Mine with positive results from further exploration and development. Subject to availability of funds, the Company plans to continue exploring these zones to potentially define further mineralization and upgrade the resource classification with the goal of determining the feasibility of adding production from these zones to the PureGold Mine production profile, as early as practical, in the mine life.

The Company plans to complete a resource update to include drilling completed over the last two years, since completion of the feasibility study. Reserves are expected to be updated in H1 2022.

Overall Performance

PureGold Mine Project, Red Lake, Ontario

After a series of transactions in fiscal 2014 through 2017, the PureGold Mine property now comprises 251 mining leases, mining patents and unpatented mining claims (but predominantly patented and with accompanying surface rights) owned or controlled 100% by PureGold, covering an area in excess of 4,600hectares in the prolific Red Lake gold camp of Northwestern Ontario. The PureGold Mine property hosts two former gold producers including the PureGold Mine.

There are no royalties payable on claims hosting known mineral resources at the PureGold Mine propertyexcept for a 2% Net Smelter Royalty on resources from Russet South, that is capped at $2.0 million. Certainclaims acquired in the Newman-Madsen and Derlak transactions are subject to royalties ranging from 0.5% - 3%, a portion of which may be bought back by the Company.

On February 11, 2019, PureGold announced the results of its feasibility study for the PureGold Mine deposit[4] and in August 2019 announced a financing package and a construction decision for the PureGold Mine. In December 2020, the Company announced it had received final permits, delivered first ore to the mill and announced its first gold pour.

Overview of Operating Results

		For the two months since start of commercial production[1]	**For the three months ended September 30, 2021**
Operating data			
Ore mined	Tonnes	39,460	61,534
Waste mined	Tonnes	101,825	143,225
Total mined	Tonnes	141,285	204,759
Ore milled	Tonnes	41,242	63,028
Average head grade	Grams per tonne gold	4.6	4.8
Recovery	%	93.8	94.5
Gold produced	Ounces	5,700	9,260
Gold sold[2]	Ounces	7,042	8,382
Average Price realized	$/ounce sold	$2,264	$2,261
Financial data[3]			
Revenue	$		15,933,649
Mine operating loss	$		(5,940,235)
Net loss	$		(13,172,488)
EBITDA	$		(4,664,060)
			As at September 30, 2021
Long term debt	$		116,891,319
Current assets	$		36,171,810
Current liabilities	$		38,885,397

Notes

[1] Commercial production was declared August 1, 2021.

[2] a total of 1,340 ounces of gold were sold in July 2021 and the $3 million of proceeds were netted against mine development costs as these sales occurred prior to commercial production

[3] Financial data for the three and nine months ended are the same as the Company commenced commercial production on August 1, 2021, and all pre-commercial production mine operating earnings and losses were capitalized to mine development costs within Mineral Properties, Plant and Equipment.

The Company's accounting policy prior to reaching pre-determined levels of operating capacity intended by management, is to capitalize costs as part of mine development costs within property, plant and equipment. As a result, the Company capitalized all operating costs for the first seven months of 2021, as commercial production was not declared until August 1, 2021.

As at September 30, 2021, the Company carried on its balance sheet a total of $263.0 million in capitalized Mineral Property, Plant and Equipment costs, including $7.5 million in capitalized borrowing costs, $9.5 million of capitalized Construction in Progress and net of $24.7 million in capitalized proceeds from sale of gold during the commissioning phase. The balance also includes a further $108.1 million in plant and equipment and $5.0 million in the cost of land

During the nine months ended September 30, 2021, the Company processed 157,745 tonnes of ore through the mill at an average grade of 4.0g/t gold. Recoveries averaged 95.0% for an estimated 19,334 ounces of gold produced. For the nine months ended September 30, 2021, the Company sold 18,138 ounces of gold at an average price of approximately US$1,790 per ounce. Tonnes milled and gold produced were both significantly below plan, reflecting the slower than expected ramp up including an inflexible mining schedule leading to lower ore totals and issues with unplanned dilution in some of the longhole stopes.[5]

Production highlights and milestones for the third quarter 2021 include:

- Average daily throughput of 685 tpd for the quarter, a 35% increase compared to the second quarter driven by increased stope access and mill upgrades;
- Gold production of 9,259 ounces, a 54% increase compared to the second quarter driven by higher grades and increased tonnage;
- Average mill head grade of 4.8 g/t Au, a 15% increase on the second quarter;
- Average mill recovery rate of 94.7%, in line with expectations;
- Completion of mill upgrades to increase processing capacity, 1,000 tpd achieved for a number of days;
- Continued ramp-up of production from the East Ramp area of the mine, which has become a key production contributor and is expected to grow significantly over the coming quarters;
- Average ramp development rate 7.4 metres per day, as improving stope access and continuing to accelerate access to deeper, higher-grade zones of the mine, including 8-Zone, remains a top priority.

Milling facilities

Several key upgrades were completed at the milling facilities during the third quarter including the installation of interstage screens on each of the six CIP tanks, installation of a trommel screen on the SAG mill discharge, and several pump upgrades. These upgrades have increased the steady-state milling capacity by 25% from 800 tpd to 1,000 tpd.

Significant progress was made on permit amendments to increase annual ore production limits from 292,000 tonnes (800 tpd) to 360,000 tonnes (1,000 tpd) in the quarter, and final approval of the amendment is on track to be received well in advance of the current limit becoming a constraint on production.

See press release dated October 15, 2021 available at www.puregoldmining.ca or under the Company's Sedar profile at www.sedar.com.

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Ramp development update

Development of the Main Ramp averaged 4.7 metres per day in the third quarter. The Main Ramp remains the critical path to 8-Zone access and drilling. As of September 30, 2021, the Main Ramp was at a depth of approximately 420 metres below surface and is expected to reach approximately 490 metres vertical depth by the end of 2021. The Company is evaluating opportunities to continue developing the Main Ramp at an accelerated rate into 2022 to further expedite 8-Zone access.

East Ramp development averaged 2.7 metres per day in the quarter as development activities in the East Ramp area of the mine were split between ramp development and lateral development. The first stopes were mined from the East Ramp area of the mine early in the third quarter. To date, a total of 6,290 tonnes of stope ore has been mined at a grade of 9.0 g/t gold from the East ramp.

The next block of stopes to be mined beginning in Q4 2021 is under development with sill development currently underway on three levels. Sill development is showing exceptional continuity of high-grade gold mineralization, with the 1420 sill returning approximately 64 lateral metres grading 7.4 g/t gold, significantly longer and higher grade than what was initially modelled. Recent drilling in the area also indicates strong potential for stope expansion along strike and to depth, beyond the currently defined reserve stopes. These East Ramp area stopes currently under development represent a key growth opportunity for the PureGold Mine in Q4 2021 and into 2022.

Planned 8-Zone Drilling

The Company has designed a phase one 18-hole drill program to target the high-grade 8-Zone with drills to be positioned in a drill bay off the Main Ramp at a vertical depth of approximately 400 metres. The goal of this initial 8-Zone drilling program is to upgrade 8-Zone mineral resources ahead of planned mining in 2024 and to explore possible extensions of 8-Zone. The Company will provide further updates following commencement of the 8-Zone drilling program.

Mineral Resource Update

An updated Mineral Resource Estimate for the PureGold Mine including satellite deposits Wedge, Russet South and Fork is expected to be completed in Q4 2021. Following completion of the updated resource estimate, an updated Technical Report is expected to be completed including an updated Mineral Reserve. Expected timing for the updated Technical Report is H1 2022.

Sustaining capital

The Company incurred a total of $12.8 million in sustaining capital expenditures during the three months ended September 30, 2021 with $8.8 million being incurred in the two months following commercial production. Sustaining capital during the quarter was primarily related to development costs for the Main and East ramp and lateral level development, along with expenditures at the water treatment plant and commencement of a lift on the tailings dam along with various Mill upgrades to CIP screens and pumps.

Surface exploration activities

Surface exploration outside of the mine reserve footprint saw little activity during the quarter as the Company was focused on ramp-up. Exploration is expected to begin again in late 2021 or early 2022.

Other Mineral Property Interests

Kinross completed a seven hole, 1,040 metre drill program during the first quarter on the Van Horne project, in which the Company has an approximate 30% joint venture interest. The Company does not anticipate contributing to future exploration costs of the Van Horne project, at this time, and will allow its interest to dilute accordingly.

Prior financings

On June 17, 2020, PureGold closed a non-brokered private placement of 9,868,421 Shares that qualified as "flow-through shares" with respect to Canadian Exploration Expenses ("**CEE**") as defined under the *Income Tax Act* (Canada) (the "**Tax Act**") (the "**CEE Flow-Through Shares**") at a price of $1.52 per CEE Flow-Through Share, for gross proceeds to PureGold of $15,000,000 .

On May 5, 2021, Pure Gold closed a bought deal offering of "flow-through shares" with respect to "Canadian development expenses" ("**CDE**") within the meaning of the Tax Act (the "**CDE Flow-Through Shares**") at an issue price of $1.52 per CDE Flow-Through Share for gross proceeds of $17,250,024 which includes the full exercise of the underwriters' over-allotment option.

On September 28, 2021 the Company closed a bought deal offering of 21,905,200 units of the Company ("**Units**") at a price of C$1.05 per Unit for gross proceeds to the Company of C$23,000,460 (the "**Offering**"). Each Unit is comprised of one common share (each a "**Common Share**") and one-half Common Share purchase warrant (each such full warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of C$1.36 until March 28, 2023.

The following table outlines the status of expenditures pertaining to the above noted financings as at September 30, 2021:

(All amounts are approximate, expressed in millions of dollars) **Description**	**Prior Disclosure**	**Actual Spent**[2]	**Remaining**	**Total**	**Variance**
July 20, 2020, Offering -PureGold Mine Project[1] Wedge, Russet South, Fork and other satellite targets to the main PureGold Mine deposit	$15	$9.5	$5.5	$15	Nil
May 5, 2021, Offering -PureGold Mine Project[2] Development of the PureGold Mine Project, including the excavation and extension of main haulage ways	$17.3	$10.4	$6.9	$17.3	Nil
September 28, 2021 [3] fund the continued ramp up of operations at its 100%-owned PureGold Mine Project located in Red Lake, Ontario, underground drilling and development of the high-grade 8 zone, and for general corporate purposes.	**$23.0**	**$0.1**	**$22.9**	**$23.0**	**Nil.**

Notes:
(1) Remaining funds are held in the form of cash or are expected from future cash flows and are expected to be used by PureGold to incur exploration expenses in respect of the PureGold Mine Project that qualify as CEE as defined in the Tax Act.

(2) Remaining funds are held in the form of cash or are expected from future cash flows and are expected to be used by PureGold to incur development expenses in respect of the PureGold Mine Project that qualify as CDE as defined in the Tax Act.

(3) Remaining funds are held in the form of cash.

Non-IFRS financial performance measures

The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. Non-IFRS performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable with similar measures by other issuers. The Company defines some of the measures below.

Cash costs
Cash costs is a common financial performance measure in the gold mining industry but with no standard meaning under IFRS. PureGold reports total cash costs on a per ounce sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Cash costs include production costs such as mining, processing, refining and site administration, less non-cash share-based compensation, divided by gold ounces sold to arrive at total cash costs per gold ounce sold. Costs include royalty payments and permitting costs. Production costs are exclusive of depreciation and depletion. Other companies may calculate this measure differently.

All-in sustaining costs
The Company believes that AISC more fully defines the total costs associated with producing gold. The Company calculates all-in sustaining costs as the sum of total cash costs (as described above), corporate general and administrative expense (less non-cash share-based compensation and depreciation), reclamation cost accretion and amortization and sustaining capital, all divided by the gold ounces sold to arrive at a per ounce figure.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital.

Selected Financial Information

Management is responsible for the Interim Financial Statements referred to in this MD&A, and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Audit Committee of the Company's Board of Directors has been delegated the responsibility to review and approve the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with Pure Gold's audited financial statements for the fiscal year-ended December 31, 2020 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the InternationalAccounting Standards Board ("IASB").

Results of Operations

The following financial data has been derived from our Interim Financial Statements for the three and nine months ended September 30, 2021, and 2020, respectively (in millions of $, except per share data. Numbers may not add or cross-add due to rounding):

		For the three months ended September 30, 2021		For the three months ended September 30, 2020		For the nine months ended September 30, 2021		For the nine months ended September 30, 2020
Mine operating loss	$	5.9	$	--	$	5.9	$	--
Corporate administrative costs		1.4		2.0		5.0		5.0
Interest and financing costs		2.4		0.1		2.5		0.2
Foreign exchange loss (gain)		4.9		(1.5)		2.1		(2.9)
Loss (gain) on fair value of derivative liabilities		(1.6)		6.4		0.0		6.8
Net loss before income taxes		13.2		9.7		19.1		11.6
Deferred income tax recovery		--		--		(2.1)		0.9
Net loss and comprehensive loss for the period	$	13.2	$	9.7	$	17.1	$	10.8
Basic and diluted loss per common share	$	0.03	$	0.02	$	0.04	$	0.03

Mine operating earnings

The mine operating earnings for the three and nine months ended September 30, 2021 and 2020 (in millions of $, except per share data. Numbers may not add or cross-add due to rounding) is comprised of the following:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue	$ 15.9	$ --	$ 15.9	$ --
Cost of sales				
Labour, wages and benefits	(7.2)	--	(7.2)	--
Raw materials and consumables	(3.6)	--	(3.6)	--
Contractors	(4.6)	--	(4.6)	--
Site administrative costs	(1.3)	--	(1.3)	--
Depreciation and deletion	(2.2)	--	(2.2)	--
Share based payments	(0.2)	--	(0.2)	--
Change in inventory	0.5	--	0.5	--
Inventory write-down	(3.2)	--	(3.2)	--
Total	(21.9)	--	(2.19)	
Mine operating loss	S (5.9)	$ --	$ (5.9)	$ --

Since commercial production started on August 1, 2021, the Company has sold 7,042 ounces of gold at a weighted average price of U$1,790 resulting in revenue of $15.9 million. Revenue is net of treatment and refining costs which amounted to $6 thousand. Revenues earned from first gold pour to August 1, 2021, have been netted against Mineral Properties costs and amounted to $24.7 million or 11,271 ounces of gold at a weighted average price of approximately US$1,791 per ounce

The costs of sales are comprised of production costs, (including mining, processing, maintenance, site general and administration and site share-based payments) and selling costs. Cash costs per ounce sold for the two months since commercial production were $2,770 (see *Non-IFRS Performance Measures* section).

Depreciation and depletion was $2.2 million since the start of commercial production. Most assets are depreciated or depleted on a units-of-production basis over the reserves to which they relate.

Corporate and administrative

Corporate and administrative costs for the three months ended September 30, 2021 and 2020 (in millions of $). is comprised of:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Wages, consulting and director fees	$ 0.5	$ 0.5	$ 1.8	$ 1.5
Share-based payments	0.4	0.4	1.2	0.7
Professional fees	0.1	0.5	0.3	1.1
Investor relations	0.1	0.3	0.6	0.8
Office costs	0.1	0.2	0.6	0.5
Listing and filing fees	0.2	0.1	0.4	0.3
Depreciation	0.0	0.0	0.1	0.1
	$ 1.4	$ 2.0	$ 5.0	$ 5.0

Wages, consulting and director fees totaled $0.5 million and $1.8 million for the three and nine months ended September 30, 2021, compared to $0.5 million and $1.5 million for the same period in the prior year, reflecting a slight increase in number of staff and salary increases year over year, at the Company's head office in 2021 compared to 2020.

Share-based compensation expense totaled $0.4 million and $1.2 million for the three and nine months ended September 30, 2021, a slight increase over the $0.4 million and $0.7 million recognized in the same periods in the prior year, reflecting the recognition of additional expense associated with option grants in December 2020 and January and May 2021. Stock options granted to employees and consultants were subject to vesting restrictions over a three-year period with the corresponding share-based compensation expense being recognized over this period.

Generally, share-based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options have fully vested or are cancelled in a period. In determining the fair market value of share-based compensation granted to directors and employees, management makes significant assumptions and estimates. These estimates have an effect on the share-based compensation expense recognized and the equity reserves balance on our statements of financial position. Management has made estimates of the life of the options, the expected volatility and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the options and analyzing share price history from that of a peer group to determine volatility.

Professional fees for the three and nine months ended September 30, 2021, were $0.1 million and $0.3 million compared to $0.5 million and $1.1 million for the same periods in the prior year. Professional fees were higher in 2020 as the Company incurred consulting costs on the implementation of an Enterprise Resource Planning software system that were not required in 2021. In addition, in 2020, the Company incurred a higher level of monitoring fees paid to engineering and geological consultants in support of our Project Finance lenders review of construction activities at the PureGold Mine. As the mine was substantially built by December 2020, these costs have declined in 2021.

Investor relations costs for the three and nine months ended September 30, 2021, totaled $0.1 million and $0.6 million, respectively, compared to $0.3 million and $0.8 million for the same periods in 2020, reflecting decreased travel costs and website design costs in 2021 vs 2020.

Exploration and evaluation

The Company's exploration activities at the PureGold Mine Project during the three and nine-month periodsended September 30, 2021, totaled $0.1 million and $3.6 million respectively, compared to $2.8 million and $3.0 million in 2021. The timing of exploration is dependent on availability of funds and is not expected to ramp up again until early 2022. The Company continues to have $5.5 million in flow-through funds from its June 17, 2020 financing that are required to be spent by December 31, 2022.

Other financial income and expenses

		Three months ended September 30, 2021		Three months ended September 30, 2020		Nine months ended September 30, 2021		Nine months ended September 30, 2020
Interest and finance costs	$	2.4	$	0.1	$	2.5	$	0.2
Foreign exchange (gain) loss		4.9		(1.5)		2.1		(2.9)
(Gain) / loss on change in fair value of derivative liabilities		(1.6)		6.4		0.0		6.8
Interest income		0.0		(0.1)		(0.1)		(0.5)
	$	5.7	$	4.9	$	4.5	$	3.6

Prior to commercial production, interest and financing costs were capitalized as part of Mineral Property costs. The interest in finance expense reflected in the condensed interim statement of loss and comprehensive loss for the three and nine months ended September 30, 2021, reflects interest on the Company's debt since commercial production was declared on August 1, 2021.

As the Company has US$ denominated liabilities in excess of US$ denominated cash deposits, any weakening in the US$ as was experienced in 2020 results in foreign exchange gains on the net US$ denominated liability position. In 2021, a strengthening in the US$ led to foreign exchange losses.

For the three and nine-months ended September 30, 2021, the Company realized a gain on the change in fair valueof its derivative liabilities totaling $1.6 million and $0.0 million, respectively compared to a loss of $6.4 million and $6.8 million, respectively, for the same periods in the prior year. The value of the derivative liabilities change as a result of changes in volatility estimates, gold price assumptions, and changes in credit spreads over time. See Notes 8 and 9 to the Interim Financial Statements for further information.

Financial Position

The following financial data has been derived from our Interim Financial Statements for the nine months ended September 30, 2021, and our Annual Financial Statements as at December 31, 2020 (in millions of $).

	As at September 30, 2021		As at December 31, 2020	
Current assets	$	36.1	$	55.2
Total assets	$	300.1	$	248.5
Current liabilities	$	38.9	$	35.9
Non-current liabilities	$	177.6	$	152.1
Cash dividends declared	$	-	$	-

Current assets decreased by $18.9 million reflecting lower cash and accounts receivable balances in 2021, offset by increased inventories and prepaid expenses, compared to December 31, 2020.

Total assets increased by $51.7 million to $300.2 million at September 30, 2021, compared to $248.5 million at December 31, 2020, reflecting the continued capitalization of operating costs during the first seven months of the year, prior to commercial production, when operating costs were then expensed.

Current liabilities at September 30, 2021 increased compared to December 31, 2020, reflecting increased current borrowing costs and current portion of the gold stream derivative liability, offset by a fall in current accounts payable as a result of the timing of the settlement of payable amounts owing to suppliers. In 2021, we saw an increase in the flow-through premium liability resulting from the brokered offering in May 2021.

Non-current liabilities increased by $25.6 million between December 31, 2020, and September 30, 2021, primarily due to an increase to the amount of loans and borrowings, reflecting the increased amount borrowed from Sprott Lending, and an increase to lease liabilities, reflecting the lease of additional equipment over 2020.

Shareholders' Equity

During the three months ended September 30, 2021, the Company issued 21,905,200 common shares pursuant to the September 28, 2021, financing at a price of $1.05 per share and issued 30,000 common shares on the exercise of employee stock options at a price of $0.44 per share.

Refer also to the discussion in this MD&A under the heading, "Outstanding Share Data". The Company has not declared any dividends since incorporation.

Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Annual Financial Statements of PureGold and the interim condensed financial statements for each of the past eight quarters which have been prepared in accordance with IFRS applicable to interim financial reporting including IAS 34.

For the three months ended ($ million except per share data)

	Sep 2021	June 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Dec 2020
Total revenue	$15.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operatingexpenses	$21.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate and administrative costs	$1.4	$1.9	$5.2	$10.3	$4.9	$1.4	$1.7	$3.5
Total comprehensive income (loss) for the period	$(13.2)	$(2.7)	$(1.2)	$(16.2)	$(9.7)	$(9.7)	$8.7	$(6.0)
Basic and diluted income (loss) per share	$(0.03)	$(0.01)	$(0.00)	$(0.04)	$(0.02)	$(0.03)	$0.02	$(0.01)

Effective August 1, 2021, the Company declared the PureGold Mine to be in commercial production and as a result started recognizing revenues and operating expenses on its Statement of Loss and Comprehensive Loss. Prior to commercial production, the Company's accounting policy capitalized operating expense net of proceeds from gold sales, within Mineral Property costs on the balance sheet. During the three months ended September 30, 2021, the Company's corporate and administrative costs fell, reflecting decreased investor relations costs as the Company focused on the PureGold Mine ramp-up and incurred lower professional fees as a result of decreased business development activities in the quarter.

The Company's corporate and administrative expenses for the quarter ended June 30, 2021, decreased by $3.3 million compared to the quarter ended March 31, 2021, reflecting a reduced amount of exploration completed in the second quarter as the Company focused on its mining activities during ramp-up and a reduction in stock-based compensation as a fewer number of stock options were granted during the quarter. The increase in comprehensive loss for the quarter ended June 30, 2021, compared to March 31, 2021, also reflects a $2.3 million loss on the revaluation of certain derivative liabilities reflecting a change in gold price assumptions and interest rates.

The Company's operating expenses for the quarter ended March 31, 2021, fell by $5.1 million compared to the quarter ended December 31, 2020. The reduction is primarily a result of the large stock-based compensation expense incurred in December 2020 as a result of the stock option, RSU and DSU grants in the month. The total comprehensive loss for the quarter ended March 31, 2021, also reflects a lower gainrealized on the revaluation of derivative liabilities in the quarter.

The Company's operating expenses increased by $5.4 million in the three months ended December 30, 2020. The largest contributors to the increase were exploration and evaluation expenditures which increased by $2.0 million reflecting the increased activity of surface drilling and exploration at the PureGold Mine property. In addition, share based compensation expense for the quarter totaled $1.2 million reflecting the grant of fully vested stock options and DSU's to directors, partially vested RSUs to employees and unvested stock options to employees, during the quarter. The realized increase in the Company's share price over the period resulted in higher volatility weightings, leading to increased BlackScholes values for the options granted. Wages and director fees increased by $0.2 million in the quarter, reflecting a slight increase of annual bonus rates to staff and professional fees increased by $0.4 million reflecting consulting fees paid in support of various business development matters during the quarter. In addition to the above, also affecting the net loss and comprehensive loss for the period, was a $10.8 million loss on the revaluation of derivative liabilities, offset somewhat by a $3.9 million foreign exchangegain as the US$ continued to weaken during the quarter which benefited the Company as many of its long-term liabilities are denominated in US$.

The Company's corporate and administrative expenses for the three months ended September 30, 2020, increased by $3.5 million over the three months ended June 30, 2020. The Company's exploration activities ramped up in July 2020 and were $2.7 million higher than in the three months ended June 30, 2020. Professional fees also increased in the quarter ended September 30, 2020, reflecting fees paid in relation to certain corporate development opportunities investigated by the Company. Another significant area of variance,quarter over quarter is the recognition of changes in the fair value of certain financial derivative liabilitiesheld by the Company. The value of the liabilities can fluctuate significantly as the assumptions used in thevarious valuation models, such as estimates of market volatility, future gold price and foreign exchange rates, change over time. The Company realized a loss on the change in the fair value of derivatives of $6.4million for the quarter ended September 30, 2020, compared to a loss of $10.9 million for the quarter ended June 30, 2020. As foreign exchange rates change period over period, the Company's foreign exchange gain or loss on its various financial assets and liabilities also changes. For the quarter ended September 30, 2020, the Company recorded a foreign exchange gain of $1.5 million compared to a $2.5 million gain for the quarter ended June 30, 2020.

The Company's corporate and administrative expenses for the quarter ended June 30, 2020, decreased by 20% compared tothe total expenses for the quarter ended March 31, 2020. The Company incurred lower share-based compensation expense as a result of a lower number of stock options vesting compared to the quarter ended March 31, 2020. Professional fees were lower during the quarter ended June 30, 2020, compared to March 31, 2020 as a result of annual audit fees incurred in the prior quarter that did not exist in the quarter ended June 30, 2020, as well as higher consulting fees incurred with the implementation of the Company's ERP software in preparation for mining operations at the PureGold Mine. The Company recognized a total net loss for the quarter ended June 30, 2020, compared to total net income for the quarter ended March 31, 2020 as a result of a $10.9 million loss on the change in fair value of its derivativeliabilities relating to the Facility and Callable Gold Stream, compared to a $10.5 million gain on the changeof fair value in the prior quarter. This was partially offset by a $2.5 million foreign exchange gain largely attributed to the Company's Facility and Callable Gold Stream which are contracted in United States dollars.

The Company's total expenses for the quarter ended March 31, 2020, decreased by 50% compared to thetotal expenses for the quarter ended December 31, 2019. The Company incurred significantly lower exploration costs when compared to the prior quarter as the Company did not have an active explorationprogram in the first quarter of 2020 as it focused on its development activities at the PureGold Mine Project. Additionally, share-based compensation expense decreased as a result of a lower number of stock options vesting compared to the quarter ended December 31, 2019, as a result of the December 13, 2019, stock option grant. The Company recognized total net income for the quarter ended March 31, 2020, compared to a net loss in the prior quarter as a result of a $10.5 million gain on the change in fair value of its derivative liabilities relating to the Facility and Callable Gold Stream. This was partially offset by a $1.2 million foreign exchange loss of which $4.3 million was attributed to the Company's Facility and Callable Gold Stream which are held in US$, partially offset by a $3.1 million positive movement in the US$ / CDN$ exchange rate and its corresponding effect on US$ cash balances.

The Company's net loss and total expenses for the quarter ended December 31, 2019 decreased by 32% and 39%, respectively, compared to the net loss and total expenses for the quarter ended September 30,2019, the Company incurred significantly lower professional fees when compared to the prior quarter asa result of the completion of a US$90 million financing package (the "**Financing**", and discussed below) inJuly 2019, which resulted in higher transaction costs leading up to the completion of the Financing. Additionally, the Company incurred lower exploration costs when compared to the prior quarter as the exploration drilling program at the Wedge, Fork and Russet South deposits completed during the quarter.These were partially offset by higher share-based compensation expense resulting from the December 13, 2019, stock option grant.

Liquidity, Capital Resources and Going Concern

As at the date of this MD&A, the Company has approximately $12.5 million in cash.

On August 7, 2019, PureGold secured a US$90 million financing package for the PureGold Mine with Sprott. The Financing is comprised of the Facility for US$65 million, and a US$25 million callable gold stream (the "Callable Gold Stream").

The US$90 million in proceeds from the Financing combined with existing cash on hand, fully funded theinitial capital costs to develop the PureGold Mine. The Callable Gold Stream provided immediate cash to the Company allowing for the commencement of development activities ahead of finalizing our permit amendments. The Callable Gold Stream can be repurchased once the PureGold Mine is in production and generating cash flow.

During 2020, the Company drew down the full amount of the US$65 million Facility (see further discussion below) and had no other facility available to it.

As a direct result of the Company's shortfall in expected gold production and therefore cash generated from gold sales during the first quarter of 2021, the Company faced short-term liquidity issues as the development and ramp-up of the mining operation continues.

To address its short-term capital concerns, on March 30, 2021, the Company reached a binding letter agreement with Sprott to amend the terms of the Facility (the "**Amendment**") to increase the amount available to the Company by a further US$20 million, with US$12.5 million drawn by the Company in Apriland the remaining US$7.5 million drawn in June 2021, upon the satisfaction of certain conditions. The Amendment also provided for the deferral of cash interest payments until June 30, 2021, and minor changes to certain covenants. All other key terms and conditions of the Facility remained unchanged. In consideration of the Amendment, PureGold was required to pay to Sprott an amount equal to 4% of the additional debt amount in shares. This was satisfied through the issuance of 714,229 common shares in June 2021.

At September 30, 2021, and the date of this MD&A, the Company was in compliance with the Facility covenants. In addition to the above, the Company closed a $17.3 million bought deal flow-through share financing on May 5, 2021, at a price of $1.52 per share. The funds raised have been earmarked specifically for development of long-term infrastructure in the mine including development of the main ore haulage waysand must be spent by December 31, 2021. At September 30, 2021, $6.4 million was remaining to be spent by the end of the year.

The Company then closed a $23.0 million bought deal financing in September 2021 at a price of $1.05 per Unit, followed by a $3.5 million private placement in October 2021, with AngloGold Ashanti, the Company's largest shareholder at a price of $1.05 per Unit.

The Interim Financial Statements were prepared using international financial reporting standards that are applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

During the nine-month period ended September 30, 2021, the Company incurred a loss of $17 million, used net cash of $12 million on its operating activities and $65 million in investing activities, primarily on its Puregold Mine. At September 30, 2021, the Company had cash of $24.3 million and a negative net working capital position of $2.7 million. The Company cannot guarantee that its current cash on hand and cash in-flows from future operations in the short-term, now that the Company has reached commercial production, will be sufficient to meet obligations for at least the next 12 months. The Company will face short-term liquidity issues should the mining operations not meet production targets as forecast or should changes to other external variables such as the gold price or foreign exchange rates negatively affect that forecasted cash-flows, and would need to raise additional funds in order to meet its current obligations and to finance the continued development and operations of the PureGold Mine.

While Management believes the Company would be able to secure additional funding, if required, there can be no assurance that such efforts would be successful. These factors give rise to material uncertainties that may cast substantial doubt on the ability of the Company to continue to meet its obligations as they come due and hence, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Interim Financial Statements do not reflect adjustments to the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would benecessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The Company's risk exposure and impact on the Company's financial instruments are summarized in note 20 of the Interim Financial Statements for the three and nine months ended September 30, 2021.

Contractual Obligations

As at September 30, 2021, the Company had the following contractual obligations outstanding, which are expected to be settled as set out in the table (amounts in $ millions. Amounts may not cross add due to rounding):

	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years
Loans and borrowings	**$150.5**	$14.5	$23.1	$30.2	$27.6	$55.2	$--
Accounts payable and accrued liabilities	**$17.2**	$17.2	-	-	-	-	-
Production linked payments	**$6.2**	$1.1	$1.3	$1.2	$1.9	$0.8	-

Under the Amendment, interest was accrued and capitalized until June 30, 2021, and afterwards only capitalized at the discretion of the Lender or paid out quarterly. As at September 30, 2021, the Company had accrued US$6.3 million in interest payable under the Facility. The Company is also obligated to pay Sprott the PPA, a fixed US$10 per ounce production-linked payment on the first 500,000 ounces of gold producedfrom the PureGold Mine. As of September 30, 2021, the Company had paid or accrued as owing to Sprott a totalof US$0.2 million on 18,313 ounces of gold under the PPA.

The terms of the Callable Gold Stream require the Company to deliver gold or cash to Sprott in accordancewith the terms of the agreement. In the event the Company does not deliver sufficient value over the lifeof mine (equal to the difference between the ounces of gold delivered times the difference in the spot price of an ounce of gold and 30% of the spot price) to Sprott to offset the US$25 million received under the Callable Gold Stream, the balance must be paid in cash. As at September 30, 2021, the Company had paid oraccrued as owing to Sprott a total of US$1.1 million, representing approximately 916 ounces under the terms of the Callable Gold Stream.

Other than previously disclosed above, the Company has entered into an Amended Technical and Administrative Services Agreement (the "**Oxygen Agreement**") with Oxygen Capital Corp. ("**Oxygen**"), a private company of which Mark O'Dea, a director and Sean Tetzlaff, an officer of the Company are shareholders. Pursuant to the Oxygen Agreement, and without limiting or abrogating the duties of PureGold's President and Chief Executive Officer or its Chief Financial Officer and Corporate Secretary, Oxygen provides the Company:

- access to, and the use of the assets contained in, office space leased by Oxygen; and
- services, staff, and expertise as determined necessary to manage the assets, operations, business and administrative affairs of PureGold properly and efficiently.

The Company pays Oxygen for the cost of management and technical services, including the wage allocations of employees seconded by Oxygen to the Company (plus tax and applicable benefits) at cost; There is no mark-up or additional direct charge to the Company from Oxygen under the Oxygen Agreement.

The Oxygen Agreement is intended to provide the Company with a number of technical and administrative services and access, on an as-needed basis, to Oxygen's roster of geologists, mining engineers, investor relations and financial and business development professionals that would not necessarily otherwise be available to PureGold at this stage of the Company's development.

The Oxygen Agreement is for an initial term of two years and shall be automatically renewed from time to time thereafter for an additional term of two years unless otherwise terminated. The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination subject to PureGold being liable for its share of committed lease costs and contractual obligations entered into on its behalf by Oxygen, as well as an amount equal to the average general and administrative monthly costs incurred under the Oxygen Agreement for the previous six month period, and any employee termination fees due under the Oxygen Agreement as a result of the termination as such term is defined under the Oxygen Agreement. The amount pertaining to the non-cancellable head office lease is included in the table below.

Agreement with First Nations

The Company entered into a Project Agreement with respect to the PureGold Mine with the Waubaskang and Lac Seul First Nations. The Project Agreement establishes a long-term, mutually beneficial partnershipbetween PureGold and the First Nations. In turn, both First Nations acknowledge and support PureGold'srights and interests in the development and future operation of the PureGold Mine. The Project Agreement provides for communication, cooperation, and collaboration between the First Nations and PureGold, and establishes a framework for support for current and future operations of the PureGold Mine and defines the long-term benefits for the First Nations.

Highlights of the Project Agreement include:

- Confirms the First Nations collaboration with PureGold in support of the operational permittingprocess for the PureGold Mine Project and all subsequent regulatory authorizations;
- Establishes a foundation for employment opportunities, direct contracting opportunities, and PureGold's commitment and support for education and training initiatives;
- Confirms PureGold's commitment to sustainable development, to protecting the environment, and direct support for environmental monitoring; and
- Provides for the issuance of 500,000 shares of PureGold to each First Nation (issued); and,

- Establishes future financial contributions by PureGold commensurate with production.

  PureGold estimates the total cost of the Project Agreement, over the life of the PureGold Mine as outlinedin the feasibility study, to be approximately $14 million.

Leases

The Company leases assets such as office space and office and mining equipment. These assets areclassified as Property, Plant and Equipment in the statement of financial position.

The Company's lease with respect to its head office premises is paid by Oxygen pursuant to the Oxygen Agreement.

Below is a maturity analysis of the Company's lease payments at September 30, 2021 (in $ millions. Numbers may not add due to rounding):

	Up to 1 year	**1 to 5 years**	**Total**
Minimum lease payments	$5.0	$3.9	$8.9
Finance charge	$(0.4)	$(0.1)	$(0.5)
Total principal payments	**$4.6**	**$3.8**	**$8.4**

The Company's lease with respect to its head office premises includes variable payments that do not depend on an index or rate. As such, these payments have been excluded from the lease liability recognized in the statement of financial position. The Company expensed $22 thousand and $69 thousand , respectively, of variable lease payments during the three and nine months ended September 30, 2021 (September 30, 2020 - $28 thousand and $85 thousand, respectively).

Surety Bonds

The Company has entered into an agreement with a third-party agent (the "Surety") with respect to the financial assurance obligations in its Closure Plan as filed with the Ministry of Energy, Northern Development and Mines ("MNDM") totaling $21.3 million. The obligations associated with this instrument are generally related to performance requirements that the Company addresses through its ongoing operations. As specific requirements are met, the MNDM as beneficiary of the bonds will returnthe bonds to the issuing entity. As this instrument is associated with a property undergoing active development and future operations, it will remain outstanding until the earlier of the date that the Company has discharged its remediation obligations under its Closure Plan or determines to self-fund theunderlying bonding obligations. The Company has agreed to indemnify the Surety against any and all losses, fees, costs and expenses of any kind and nature which the Surety might sustain or incur upon the execution of surety bonds issued.

Off-Balance Sheet Arrangements

The Company had no off-balance sheet arrangements as defined by NI 51-102 requirements as at September 30, 2021, or as at the date hereof.

Proposed Transactions

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. We are also continually reviewing and discussing opportunities with third parties regarding the sale of non-strategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

At present, there are no proposed asset or business acquisitions or dispositions before the Board for consideration.

Related Party Transactions

Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

<u>Oxygen Capital Corp</u>

Oxygen is a private company partially owned by Mark O'Dea, a director and Sean Tetzlaff, an officer of the Company. Oxygen provides technical and administrative services to the Company at cost, including providing some staff who are seconded to the Company, office facilities and other administrative functions. As at September 30, 2021, Oxygen holds a refundable deposit of $0.4 million (December 31, 2020 - $0.4 million), on behalf of the Company. During the nine months ended September 30, 2021, a total of $1.4 million (nine months ended September 30,2021 - $1.4 million) was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company. As at September 30, 2021, the Company held a payable amount to Oxygen of $0.1 million(December 31, 2020 - $0.1 million). This amount was paid subsequent to September 30, 2021.

<u>Compensation of Key Management Personnel</u>

Key management includes members of the Board, the President and Chief Executive Officer, the VP of Exploration, the VP of Operations, the Chief Financial Officer and the Corporate Secretary. The aggregatetotal compensation paid or payable to key management for employee services directly or via Oxygen is as follows (in millions of $. Amounts may not add due to rounding):

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Salaries and other short-term employee benefits	$ 0.4	$ 0.3	$ 1.2	$ 0.9
Directors fees	0.1	0.2	0.4	0.4
Share-based compensation	1.0	0.3	1.4	0.7
Total	**$ 1.5**	**$ 0.8**	**$ 3.0**	**$ 2.0**

Significant Accounting Policies

The accounting policies and methods of application applied by the Company in the Interim Financial Statements are the same as those applied in the Company's audited financial statements for the year ended December 31, 2020.

Accounting Standards Recently Adopted

The Company adopted Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 4and IFRS 16 (the "Phase 2 Amendments") effective on January 1, 2021. Interest rate benchmark reform ("Reform") refers to a global reform of interest rate benchmarks, which includes the replacement of someinterbank offered rates ("IBOR") with alternative benchmark rates. The Phase 2 Amendments provide a practical expedient requiring the effective interest rate be adjusted when accounting for changes in the basis for determining the contractual cash flow of financial assets and liabilities that relate directly to theReform rather than applying modification accounting which might have resulted in a gain or loss. In addition, the Phase 2 Amendments require disclosures to assist users in understanding the effect of the Reform on the Company's financial instruments and risk management strategy.

The Company's Credit Facility accrues interest at a floating rate equal to a base rate plus the greater of i)the London interbank offered rates ("LIBOR") and ii) 2.50% per annum, and has not yet transitioned to alternative benchmark rates at the end of the current reporting period. The Company is working with thelenders to assess the potential alternatives to the use of the LIBOR.

Significant Accounting Judgments, Estimates and Assumptions

In preparing its financial statements, the Company makes judgments in applying its accounting policies. In addition, the preparation of financial statements in conformity with IFRS requires the use of estimatesthat may affect the amounts reported and disclosed in the consolidated financial statements and relatednotes in future periods. These estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The critical estimates and judgements that the Company's management has made in the process of applying the Company's accounting policies for the three and nine months ended September 30, 2021, are consistent with those applied and disclosed in the Company's annual audited financial statements for the year ended December 31, 2020.

Risks associated with financial instruments

We are exposed to a variety of financial instrument related risks. The Board provides oversight for our risk management processes. The type of risk exposure and the way in which such exposure is managed is explained as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causethe other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, restricted cash, short-term investments and amounts receivable. The carryingamount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash, restricted cash and short-term investments with high credit quality major Canadian financial institutions as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. At September 30, 2021, the Company had cash of $24.3 million (December 31, 2020 - $44.9 million) and short-term investments of $0.2 million(December 31, 2020 - $1.5 million) to settle current liabilities of $38.9 million (December 31, 2020 - $34.7 million) and long term liabilities of $177.6 million, including advances under the Facility and Callable GoldStream (December 31, 2020 – $154.9 million). At September 30, 2021, there was insufficient cash on hand to fund the Company's current commitments; however the Company believes that cash on hand and cash in-flows from future operations now that the Company has reached commercial production, should be sufficient to meet obligations for at least the next 12 months, provided forecasted production, revenues and costs are realized. See further discussion under " **Liquidity, Capital Resources and Going Concern".**

As at September 30, 2021, the Company had not yet reached positive cash flows from operations. The Company has incurred negative cash flows from operations of $12 million (nine months ended September 30, 2020 - $7.2 million) and a loss of for the nine months ended September 30, 2021, of $17.1 million (nine months ended September 30, 2020 – loss of $10.8 million) but expects to generate sufficient cash flows for the balance of fiscal 2021, combined with the existing cash balance, to allow it to carry out its planned business objectives at the PureGold Mine.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changesin market interest rates. Cash and short-term investments include deposits which are at variable interestrates. The Company does not believe it is exposed to material interest rate risk on its cash and short-terminvestments.

The Company is exposed to interest rate risk due to the floating rate interest on the Facility. For the three months ended September 30, 2021, an increase of 25 basis points in market interest rates would result in approximately $20 thousand in additional interest payable on the Facility.

Foreign Currency Risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instrument will fluctuate because of changes in foreign exchange rates. The Company also holds cash and cash equivalentsthat are denominated in US dollar currencies which are subject to currency risk. Accounts payable and other current and non-current liabilities may be denominated in US dollars. The Company is further exposed to currency risk through non-monetary assets and liabilities and tax bases of assets, and liabilities.Changes in exchange rates give rise to temporary differences resulting in a deferred tax liability or asset with the resulting deferred tax charged or credited to income tax expense.

During the three and nine months ended September 30, 2021, the Company recognized a net foreign exchange gain of $1.6 million and $2.8 million, respectively (three and nine months ended September 30, 2020 – $2.5 millionand $1.3 million).

The following table shows the impact of a plus or minus 10% change in the USD/CAD exchange rate on financial assets and liabilities denominated in US dollars for the nine months ended September 30, 2021.

Cash	$	(0.3) thousand
Credit Facility	$	11.7 million
Production Payment Agreement	$	0.5 million
Callable Gold Stream	$	4.4 million

Fair Value Estimation

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk.

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used tomeasure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

At September 30, 2021, the carrying amounts of cash, short-term investments, interest receivable, deposits, reclamation deposits, accounts payable, and accrued liabilities are considered to be a reasonable approximation of their fair values, due to their short-term nature.

At September 30, 2021, the fair values of the embedded derivatives in the Facility and the Gold Stream were determined using Level 3 inputs.

The fair value of the embedded derivatives in the Facility was determined using the Hull-White valuationmodel. Key inputs include: the US dollar swap curve and the Company’s credit spread and the Company’slife of mine production profile.

The fair value of the Gold Stream was determined using a discounted cash flow model. Components to fair value at each reporting date include:

- Change in the risk-free interest rate
- Change in the Company’s credit spread
- Change in any expected ounces to be delivered
- Change in expected future metal prices

- Life of mine production profile

A 1% change in discount rate would have a $1.5 million impact on the fair value of the Gold Stream derivative. A 1% change in gold price would have a $0.44 million impact on the fair value of the Gold Stream derivative.

Management of Capital

PureGold considers the items included in the statement of shareholders' equity as capital. Management of the Company manages the capital structure and adjusts in light of changes in economic conditions andthe risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or return capital to shareholders. The Company does have minimum working capital requirements required under the Facility.

PureGold's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for otherstakeholders.

Outstanding Share Data

PureGold's authorized capital is unlimited common shares without par value. As at November 12, 2021, the following common shares, stock options, Restricted Share Units and Deferred Share Units were outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	439,683,503	N/A	N/A
Stock Options	75,000 1,900,000 4,425,000 133,334 250,000 4,575,001 350,000 1,880,000 400,000 350,000	$0.72 $0.44 $0.49 $0.54 $0.64 $0.74 $0.77 $2.84 $2.60 $0.97	November 14, 2021 December 21, 2021 December 15, 2022 May 6, 2024 November 18, 2024 December 13, 2024 February 19, 2025 December 17, 2025 January 1, 2026 October 27, 2026
Deferred Share Units	1,078,306	Not applicable	
Restricted Share Units	1,013,451 200,000	Not applicable	December 31, 2023 October 27, 2024
Warrants	31,777,501	$0.85	July 18, 2022
Fully Diluted	488,091,096		

Industry and Economic Factors That May Affect Our Business

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are as described under the heading "Risk Factors" in our AIF dated March 31, 2021, available on the Company's SEDAR profile at www.sedar.com. In particular, there are currentlysignificant uncertainties in the global economy, increased volatility and general changes in the prices of gold and other precious metals which may impact our business going forward including those uncertainties created by the COVID-19 pandemic.

On March 11, 2020, the World Health Organization (“**WHO**”) assessed COVID-19 as a pandemic. This assessment by the WHO was not unexpected given the virus had been circulating in various parts of the world. The effect of the COVID-19 virus and the actions recommended to combat the virus are changing rapidly.

To date, the Company has been minimally affected by COVID-19 and the Company’s PureGold Mine is located in a jurisdiction which has seen relatively few cases of COVID-19. Overall, the key risks related to the PureGold Mine currently relate to (a) the procurement of goods and potential supply chain issues and (c) impact to both site-based personnel and head office personnel.

As the Company embarks on commercial production, should the Company’s personnel be directly impacted by COVID-19, it may result in delays to reaching cash flow projections, depending upon the extent of infection to mine staff. There are numerous examples of mines being shut down for extended periods because of COVID-19. If this were to occur, the Company has minimal cash resources to outlast an extended shutdown and the Company would need to take actions to immediately reduce cash outflows, including temporary layoffs which would directly affect production of gold.

In addition, the actual and threatened spread of COVID-19 globally could continue to negatively impact stock markets, including the trading price of the Company’s Common Shares, and could adversely impactthe Company’s ability to raise additional capital, if needed. Any of these developments, and others, couldhave a material adverse effect on the Company’s business and results of operations.

Legal Matters

PureGold is not currently and has not at any time during our most recently completed financial period, been party to, nor has any of its property interests been the subject of, any material legal proceedings orregulatory actions.

Management’s Responsibility for the Financial Statements

The preparation and presentation of the accompanying financial statements, MD&A and all financial information in the financial statements are the responsibility of management and have been approved bythe Board following the report and recommendation of the Audit Committee. The financial statements have been prepared in accordance with IFRS. Financial statements by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, managementhas chosen those it deems to be the most appropriate in the circumstances.

Subsequent Events Not Otherwise Described Herein

Subsequent to September 30, 2021, other than already indicated above, the Company incurred the following subsequent events:

A total of 350,000 employee stock options and 200,000 RSU’s were granted to a director of the Company and 300,000 employee stock options were cancelled on the termination of employment of an employee. A total of 150,000 employee stock options were exercised at a weighted average price of $0.52 per share. A total of 615,499 warrants were exercised at $0.85 per share.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design of PureGold’s internal controls over financial reporting ("**ICFR**")as required by National Instrument 52-109–Certification of Disclosure in Issuers’ Annual and Interim Filings ("**NI 52-109**"). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of material financial information for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations. PureGold’s officers certify the design of PureGold’s ICFR using the Internal Control –Integrated Framework (2013) issued by The Committee for Sponsoring

Organizations of the Treadway Commission. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the year ended December 31, 2020, PureGold began the implementation of a new ERP system which continued into 2021.The implementation of that system is expected to, among other things, improve user access security andautomate a number of accounting, back office and reporting processes and activities, thereby decreasingthe number of manual processes previously required. Except for the implementation of the new system, there were no changes to the internal controls over financial reporting that occurred during the nine months ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

However, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclosure Controls and Procedures

Disclosure controls and processes have been designed to ensure that information required to be disclosedby PureGold is compiled and reported to management as appropriate to allow timely decisions regardingrequired disclosure. PureGold's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of September 30, 2021, that the disclosure controls and procedures are effective in providing reasonable assurance that material information related to PureGold is made known to them byemployees and third-party consultants working for PureGold and its subsidiaries. There have been no significant changes in our disclosure controls and procedures during the nine months ended September 30, 2021.

While PureGold's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expectthat the disclosure controls and processes will prevent all errors and frauds. A control system, no matterhow well conceived or operated, can provide only reasonable, not absolute, assurance that the objectivesof the control system are met.

Scientific and Technical Disclosure

Except for the PureGold Mine Project, the Company's other projects and those in which we have an interest are early stage and do not contain any mineral resource estimates as defined by NI 43-101.

Unless otherwise indicated, PureGold has prepared the technical information in this MD&A ("**Technical Information**") based on information contained in the following technical report:

"**Madsen Gold Project Technical Report Feasibility Study for The Madsen Deposit, Red Lake, Ontario, Canada** ", effective February 5, 2019, and dated March 21, 2019, and revised July 5, 2019, filed under theCompany's profile on SEDAR at www.sedar.com and available on the Company's website at www.puregoldmining.ca (the "**Technical Report**").

Technical Information was also based on information contained in news releases (collectively the "Disclosure Documents") available under PureGold's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or reliedupon out of context. The Technical Information is subject to the assumptions and qualifications containedin the Disclosure Documents.

Our Disclosure Documents were in part prepared by or under the supervision of an independent QP. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the TechnicalInformation. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The disclosure in this MD&A has been made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the disclosure requirements of the SEC. Additional disclosure and cautionary notes relating to the PureGold Mine are summarized in our AIF, available on PureGold's SEDAR profile at www.sedar.com.

The SEC's disclosure standards normally do not permit the inclusion of information concerning "measuredmineral resources", "indicated mineral resources" or "inferred mineral resources" in documents filed withthe SEC, unless such information is required to be disclosed by the law of the Company's jurisdiction of incorporation or of a jurisdiction in which its securities are traded. Consequently, mineral resource and mineral reserve information contained in this MD&A is not comparable to similar information that wouldgenerally be disclosed by U.S. companies in accordance with the rules of the SEC.

The SEC's Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Accordingly, mineral reserve estimates contained in this MD&A may not qualify as "reserves" under SEC standards.

This MD&A uses the terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" to comply with the reporting standards in Canada. The SEC's Industry Guide 7 does not recognize these terms and U.S. companies are generally not permitted to use these terms indocuments they file with the SEC. Investors are cautioned not to assume that any part or all the mineral deposits in these categories will ever be converted into SEC defined mineral "reserves." Further, "inferredmineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically.

Therefore, investors are also cautioned not to assume that all or any part of an inferred mineral resourceexists. In accordance with reporting standards in Canada, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in rare cases. In addition, disclosureof "contained ounces" or "contained pounds" in a mineral resource estimate is permitted disclosure underNI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SECnormally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this MD&A may not be comparable to information made public by US domestic companies subject to the reporting and disclosure requirements of the SEC.

Darin Labrenz, P.Geo, PureGold's President & CEO, is the Company's QP for the purposes of NI 43-101 andhas reviewed and validated that the scientific or technical information contained in this MD&A related to the PureGold Mine Technical Report, is consistent with that provided by the independent QPs responsiblefor preparing the PureGold Mine Technical Report and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Mr. Labrenz has consentedto the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A, contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning, future effect of the COVID-19 pandemic, future financial or operating performance of PureGold and its business, operations, cash flows and properties and 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, the growth potential of the PureGold MineProject (as defined below) and opportunities for scalability and expansion, the potential to increase after-tax net present value to the PureGold Mine Project, the potential for Russet South, Fork and Wedge to be economically viable, planned mining methods, mineral processing and sources of power, expected annual production, potential profitability of the PureGold Mine Project at lower metal prices, expected capital costs, expected IRR, anticipated permitting requirements and timing thereof, expected development and production schedule, anticipated timeframe for becoming cash flow positive at the PureGold Mine, statements under the heading “*Outlook*”, timing of production guidance, completion of a global resourceupdate,, potential conversion of inferred resources to measured and indicated resources, potential extension and expansion of mineral resources and the focus of the Company in the coming months, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by other third parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital; completion of expenditure obligations under an option agreement and earn-in agreements to which the Company is a party; government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain exploration licences for its properties in accordance with the requirements of applicable mining laws in Canada; government regulation of exploration and mining operations; environmental risks, including satisfaction of requirements relating to the submissions and successful defense of environmental impact assessment (“**EIA**”) reports and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage, future issuancesof Common Shares to satisfy earn-in obligations or the acquisition of exploration properties and the timingand possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of PureGold to be materiallydifferent from any future plans, intentions, activities, results, performance or achievements expressed orimplied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-lookingstatements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “will”, “projects”, or“believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions “may”, “could”, “would”, “might” or “will” be taken, occur orbe achieved.

Statements relating to mineral reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral reserves and resources described exist in the quantities predicted or estimated and may be profitably produced in the future. Estimated values of future net revenue do not represent fair market value. Thereis no certainty that it will be commercially viable to produce any portion of the resources.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of gold, copper, silver, molybdenum and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource 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 and mineral reserves, successful resolution of the challenges to the EIAs described in this MD&A, if any, anticipated costs and expenditures, the impact of the COVID-19 pandemic and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not withinthe control of PureGold and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: risks related to operations as a result of the COVID-19 pandemic, general business, economic, competitive, political, regulatory and social uncertainties; disruptions or changes in the credit or securities markets and market fluctuations in prices for PureGold's securities; judgement of management when exercising discretion in their use of proceeds from a financing; potentialdilution of Common Share (as defined below) voting power or earnings per share as a result of the exerciseof stock options , restricted share units, deferred share units and share purchase warrants, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; the Company is an exploration and development stagecompany with no history of pre-tax profit and no significant income from its operations and there can beno assurance that the Company's operations will be profitable in the future; changes in project parameters as plans continue to be refined; changes in labour costs or labour availability or other costs ofproduction; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, flooding, rock bursts and other actsof God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities,insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development,including the risk of diminishing quantities or grades of mineralization; PureGold's ability to renew existinglicences and permits or obtain required licences and permits; changes in government legislation and regulation; fluctuations in commodity prices; requirements for future funding to satisfy contractual obligations and additional capital needs generally; changes or disruptions in market conditions; market price volatility; the Company currently has a shareholder with greater than 10% holdings; uncertainties associated with minority interests and joint venture operations; risks associated with the Company's indemnified liabilities; increased infrastructure and/or operating costs; reclamation costs; the Company has limited operating history and no history of earnings; reliance on a finite number of properties; limits of insurance coverage and uninsurable risk; contests over title to properties; environmental risks and hazards; limitations on the use of community water sources; the need to obtain and maintain licences andpermits and comply with laws and regulations or other regulatory requirements; competitive conditions in mineral exploration and mining business; the ability of the Company to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integrationwith the Company's current business; influence of third party stakeholders; risks of litigation; the Company's system of internal controls; conflicts of interest; credit and/or liquidity risks; changes to the Company's dividend policy; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "Risk Factors" in our AIF available on PureGold's

SEDAR profile at www.sedar.com. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factorsthat cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

PureGold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.Readers should not place undue reliance on forward-looking information.

Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration; however, there is no certainty that these inferred mineral resources will be converted into mineral reserves once economic considerations are applied. The mineral resource estimates referenced in this MD&A use the terms "Indicated Mineral Resources" and "Inferred Mineral Resources". While these terms are defined in and required by Canadian regulations (under NI 43-101), these terms are not recognized by the U.S. Securities and Exchange Commission ("SEC"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as totheir economic and legal feasibility. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Accordingly, information contained in this MD&A will not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements. PureGold is not an SEC registered company.

Approval

The Audit Committee of the Board of Directors of Pure Gold has approved the disclosure contained in thisMD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information relating to Pure Gold can be obtained on the SEDAR website at www.sedar.com orby contacting:

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PURE GOLD MINING INC.

/s/ “Darin Labrenz”
Darin Labrenz
President and Chief Executive Officer

PURE GOLD MINING INC.

/s/ “Sean Tetzlaff”
Sean Tetzlaff
Chief Financial Officer