Approvals received to re-open underground for advanced exploration and surface drilling now commenced with 4 drill rigs

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 11, 2017) - Pure Gold Mining Inc. (TSX VENTURE:PGM) ("Pure Gold" or the "Company") is pleased to announce the launch of its 2017 exploration program at the Company's 100% owned Madsen Gold Project ("Madsen"). The phased exploration program is designed to focus on resource growth and concurrently advance Madsen towards operational readiness. Drilling has re-commenced on the project with four diamond drill rigs prioritized for the McVeigh, Austin and A3 targets of the Madsen Mine. In addition, Pure Gold has now received the necessary approvals to re-open the McVeigh Portal ("Portal") and ramp and mining contractors have been mobilized to site to commence site preparations.

2017 Exploration Program Commences

Phased Approach to Resource Growth:

- a four-rig program with up to 70,000 metres of diamond drilling, collared from both surface and underground;
    - surface drilling to expand resource through wider step-outs at the McVeigh, Austin and A3 targets (commenced January 2017); and
    - underground drilling to drill off near surface mineralization and better define anticipated mining shapes (scheduled commencement late Q1).
- a H2-2017 resource update to incorporate >150,000 metres of new diamond drilling since last resource.

McVeigh Underground Exploration Project:

- re-establish services to the existing Portal and ramp including power, heating and ventilation;
- assess and secure ground conditions and complete detailed geologic mapping and sampling; and,
- establish underground drill bays to optimize delineation of near-surface mineralization in the McVeigh and Austin horizons.

"Exploration drilling has been highly successful in expanding gold mineralization in multiple targets, all in close proximity to the existing infrastructure and open for expansion," stated Darin Labrenz, President and CEO of Pure Gold. "With the completion of the 2016 program, we look forward to the next phase of Madsen's evolution as we re-open the Portal and commence exploring from underground, utilizing the existing ramp which provides access to the top 150 vertical metres. Our team is focused on expanding the current resource and providing a framework for expanding the current base case production scenario at Madsen."

Receipt of Approval to Re-Open the Existing Portal and Ramp

Approval to re-open the Portal to allow for underground exploration was received from Ontario's Ministry of Northern Development and Mines in late December 2016. The Company now has all necessary approvals and work has begun to re-establish required services to the Portal and ramp.

The Portal, established in the 1990s, is located approximately one kilometer from the mill and provides ramp access to the top 150 vertical metres of mine workings. Currently, the ramp declines in the footwall of the McVeigh horizon, extending for 1,080 linear metres from surface to just above three level. Opening the Portal will provide immediate access to the footwall of the McVeigh and Austin horizons allowing for cost effective underground drilling which is expected to provide sufficient drill density to better define possible mining shapes, as well as allow exploration drilling to continue to expand the resource. It will also allow for a field inspection of the underground headings, including rock mass characterization, as well as detailed underground geological mapping and sampling to refine the structural setting. Work either completed or in progress includes:

- awarding of the mining contract for support of the advanced exploration project to Dumas Contracting Ltd;
- clearing of powerline from Pure Gold's milling facility to re-connect the Portal and ramp to grid power;
- purchase of power components as well as ramp ventilation and heating systems; and
- establishment of surface support infrastructure at the Portal

Currently it is anticipated that the Portal will be re-opened in February with underground diamond drilling scheduled to begin by the end of the first quarter.

Completion of the 2016 Exploration Program

With receipt of final assays, Pure Gold has completed its 2016 exploration work program, successfully intersecting gold mineralization in multiple, related targets with the drilling of approximately 78,800 metres from a total of 237 drill holes. Previously unreported results from the 2016 program include:

- 14.3 g/t gold over 1.0 metres in hole PG16-282 (A3)
- 8.0 g/t gold over 1.8 metres in hole PG16-290 (McVeigh)

The 2016 exploration program led to a breakthrough in geologic understanding, genetically and spatially linking mineralization in multiple settings and demonstrating that intersected gold mineralization remains open for expansion. At Madsen, drilling traced near surface gold mineralization across a 1.2 kilometre strike length, with mineralization remaining open for expansion. Concurrent drilling of the Austin horizon has led to a better understanding of the controls of high grade mineralization resulting in the development of the A3 target, an Austin-parallel gold bearing structure.

Mineralization at Madsen is hosted preferentially in the McVeigh and Austin horizon, and these preferred host rocks have been traced over two kilometres southward to the past-producing Starratt Olsen mine where initial drilling has returned high grade gold mineralization in a setting that is directly related to mineralization encountered at Madsen. Together with drilling at the McVeigh, Austin, and A3 targets of Madsen, these holes define a five kilometre mineralized horizon that is now well-understood and prospective for additional discovery and resource expansion.

Additionally, Pure Gold drilling at Russet South, located 1.5 kilometres west of Madsen, has expanded the known mineralization of this target and established a clear geologic relationship between this mineralization and mineralization hosted in the Madsen Mine.

For overview and detailed long sections highlighting the McVeigh horizon results, click link below:
http://puregoldmining.ca/sites/default/files/McVeighLong_January-11.pdf

For a complete list of 2016 drill results, click link below:
http://puregoldmining.ca/sites/default/files/2016-DH-Intercepts-Table-January-11.pdf

ABOUT MADSEN

The Madsen Mine operated for over 36 years with historic production of 2.5 million ounces at an average grade of 9.9 g/t gold. The Madsen Gold Project hosts a permitted mill and tailings facility, and access to power, water and labour. The Madsen Gold Project has an Indicated Resource of 928,000 ounces gold at 8.93 g/t gold (in 3.24 million tonnes) and an Inferred Resource of 297,000 ounces gold at 11.74 g/t gold (in 0.79 million tonnes)[(1)]. The mineral resource is based on 13,624 drill holes, evenly dispersed throughout the mineral resource. A robust geologic model based on 27 levels of geological mapping and chip sampling provides a solid understanding of the geology and continuity of mineralization.

In addition to the current mineral resource, the Madsen Gold Project hosts a number of prospective new discoveries including the Fork Zone and Russet South targets, as well as, two significant historic underground mines. Pure Gold believes the opportunity exists to advance these targets through the application of modern exploration science and a new understanding of the district.

1. *See the National Instrument 43-101 technical report entitled "Technical Report on the Preliminary Economic Assessment For the Madsen Gold Project," prepared by Nordmin Engineering Ltd., dated effective April 20, 2016. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*

QA/QC and Core Sampling Protocols

Drill core samples are submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation by crushing to 70% less than 2mm, a rotary split of 1kg, and pulverization of the split to better than 85% passing 75 microns. Sample pulps are shipped to the ALS assay laboratory in North Vancouver, B.C. for gold analysis with a 30g fire assay and AAS finish (code Au-AA23). Samples returning >5 g/t Au are re-assayed with a gravimetric finish (code GRA21). Mineralized zones with visible gold are also analyzed by a 1kg screen fire assay with screening to 100 microns. A duplicate 30g fire assay is conducted on the screen undersize with assaying of the entire oversize fraction (code Au-SCR21). Control samples (certified standards and uncertified blanks), along with field, prep and pulp duplicates, are inserted on a regular basis.

Qualified Persons and 43-101 Disclosure

Phil Smerchanski, P. Geo., Vice President, Exploration for the Company, is the designated Qualified Person for this news release within the meaning of National Instrument 43-101 ("NI 43-101") and has reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure of same.

ABOUT PURE GOLD

Our mandate is pure and simple. To dream big. To colour outside the lines. To use smart science and creativity to unlock the next major discovery at the Madsen Gold Project in Red Lake, Ontario. And become Canada's next iconic gold company.

Additional information about the Company and its activities may be found on the Company's website at www.puregoldmining.ca and under the Company's profile at www.sedar.com.

ON BEHALF OF THE BOARD

Darin Labrenz, President & CEO

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pure Gold within the meaning of applicable securities laws, including, but not limited to statements with respect to those that address potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "upside", "target", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Pure Gold and there is no assurance they will prove to be correct.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the interpretation of results at the Madsen Gold Project; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration as well as those factors discussed in the Annual Information Form of the Company dated June 17, 2016 in the section entitled "Risk Factors", under Pure Gold's SEDAR profile at www.sedar.com.

Although Pure Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Pure Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.

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