

Pure Gold Provides Update On Mine Construction And Reports Financial Results For Year-Ended December 31, 2019

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VANCOUVER, March 26, 2020 - [Pure Gold Mining Inc.](#) (TSX-V: PGM, LSE: PUR) is pleased to provide the following update on mine construction activities at its Pure Gold Red Lake Mine as well as report year-end 2019 financial and operating results. The Company has made available its audited financial statements and related management's discussion and analysis for the year ended December 31, 2019, available on Sedar and its website.

"Ensuring the health and safety of our employees, contractors and the communities in which we operate is our highest priority," said Darin Labrenz, President and CEO. "The outbreak of COVID-19 has changed the way we operate, and we have implemented measures and processes in both our Vancouver office and in Red Lake to ensure the right protocols and precautionary measures are in place. We are closely monitoring the rapidly changing COVID-19 pandemic situation and will adjust plans and schedules as necessary based on the safety guidelines outlined by the Provincial and Federal Governments as well as the Public Health Agency."

Mr Labrenz continued, "In August 2019 we announced a US\$90 million project finance package and construction decision for the Pure Gold Red Lake Mine. This decision was based on our robust 2019 feasibility study which was completed at US\$1,275 per ounce of gold and an exchange rate that translates to a Canadian dollar gold price of C\$1,700/oz. Today, gold prices have rallied to a record ~C\$2,300/oz, which translates directly to the bottom line, resulting in the potential to add nearly C\$600 million in undiscounted pre-tax free cash flow over the life of mine. Our team has rapidly come together to commence underground development safely and ahead of schedule. With surface work also well underway we look forward to opening a brand-new, high grade gold mine in Red Lake, marking the first step on our path to become Canada's next large-scale, iconic gold producer."

The Pure Gold Red Lake Mine is fully funded to production and construction is well-advanced. Over the last year, the Pure Gold team has seamlessly shifted from exploration to development and today is on cusp of production with first gold pour only months away. In the process, the Company has completed an updated mineral resource estimate, a definitive feasibility study, formalized a relationship with our First Nation partners, executed a project finance package with enough flexibility to allow for risk-lowering capital investment decisions, and commenced both surface and underground construction. A summary of some of the key developments is highlighted below.

Site Operations Team

On average, the mine is projected to employ approximately 340 employees and deliver over \$467 million in direct salaries over the life of the mine. To date, the Company has recruited approximately 60 individuals in key positions including management, technical staff, supervisors and operators, and has made placements in safety, environmental, and administration services with the vast majority of new staff already resident in, or committing to relocate to, the Red Lake region. Numerous contractors, including experienced First Nation and local contractors, have been engaged in the development of the mine to date.

Surface Infrastructure Upgrades

Significant earthworks, road and utility infrastructure upgrades, the installation of new equipment and the erection of new buildings to support mine operations have been completed at site. Major earthworks include the establishment of a new mine rock management facility, the completion of site haulage roads and the development of a new portal laydown area. New structures include an administration complex which has been installed, energized and commissioned as well as a new mill warehouse facility. In the process plant,

mechanical / electrical audits and industrial cleaning are complete, utility services have been restored, and electrical systems have been certified. Overhead cranes have been certified for use in the near term installation of new process equipment in the grinding circuit, gravity circuit and gold room.

Engineering & Procurement

Detailed engineering is on track to support the completion of the project as scheduled for late 2020. To date the Company has placed equipment purchase orders representing approximately 74% of the long lead items by value, including electrical equipment packages, key gold room equipment, gravity and intensive leach systems as well as the new ball mill to provide for planned processing rates of 800 tonnes per day.

Underground Development

Pre-production underground ramp development was initiated ahead of schedule and is progressing at an accelerated pace. Since mid-December approximately 740 metres of development have been completed. Early initiation of ramp development through the Company's test mining program and, to date, a 50% improvement on development productivity from underground provides an opportunity to access key stopes ahead of schedule, optimize the mine plan, and provide a larger ore stockpile in advance of mill start-up.

Mine de-watering, ongoing since July 2018, has been accelerated and is well ahead of ramp development.

Permitting

Existing major permit amendments and the filing of additional minor permits is on track to support the production schedule. The permitting process commenced in 2018 with the screening of pre-submission supporting studies, following by completion of the Project Description in 2019. Following the submission of the Project Description, both Federal and Provincially authorities confirmed the project will not trigger a new Environmental Assessment. The Company has completed pre-screening of major applications with both First Nations and Ontario ministries and, in December 2019, the Company hosted numerous Community and First Nations consultation meetings on permitting and the amended mine closure plan. There remains strong support from both the local communities and First Nations for the development of the project.

Definitive Budget

The Pure Gold Red Lake Mine is fully funded to production. Given the financial flexibility provided by the 2019 project finance package, the Company has been able to capitalize on opportunities to reduce start-up and operational risk and improve project performance and economics. For example, rather than leasing underground mining equipment for the first two years of production the Company has purchased the mining fleet, thus lowering the overall operating costs during initial development and production. This added C\$11.5 million to upfront capital costs relative to the feasibility study but was economically prudent.

Other key opportunities for infrastructure improvement were captured in the process plant, where taking previously assumed refurbishment risk was considered unnecessary. The Company has elected to replace certain components in order to maximize mill availability and further minimize risks at start-up. With a new Definitive Budget of C\$124.6 million, and approximately C\$27.4 million in capital costs already spent (C\$97.2 million remaining to be spent), the Company has more than adequate funding to complete construction and start gold production. Specifically, we have approximately C\$64.6 million in cash and an undrawn debt facility of US\$55 million (~C\$77 million at current exchange rate of 1.00:1.41 USD:CAD).

FINANCIAL RESULTS FOR YEAR ENDED DECEMBER 31, 2019

Results of Operations

The following financial data are derived from our annual financial statements for the fiscal year ended December 31, 2019 and the nine months ended December 31, 2018, and year ended March 31, 2018,

respectively:

	For the year ended December 31, 2019	For the nine months ended December 31, 2018	For the year ended March 31, 2018
Total Revenue	\$ -	\$ -	\$ -
Exploration and evaluation expenditures	\$ 8,860,646	\$ 19,360,713	\$ 26,343,021
Net loss for the year attributable to shareholders	\$ 21,821,835	\$ 21,901,184	\$ 26,161,068
Total comprehensive loss for the year	\$ 21,821,835	\$ 21,901,184	\$ 26,161,068
Basic and Diluted Loss per Share	\$ (0.07) \$ (0.09) \$ (0.13)

Financial Position

The following financial data are derived from our Annual Financial Statements for the fiscal year ended December 31, 2019 and fiscal period ended December 31, 2018:

	As at December 31, 2019	As at December 31, 2018
Total assets	\$ 130.6 million	\$ 20.9 million
Current liabilities	\$ 8.2 million	\$ 1.0 million
Non-current liabilities	\$ 72.8 million	\$ 2.4 million
Cash dividends declared	\$ -	\$ -

For a detailed discussion of period over period variances, please see the Company's MD&A, available on SEDAR or the Company's website at www.puregoldmining.ca

Qualified Persons and 43-101 Disclosure

Ken Donner, P. Eng., Vice President, Operations 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 Mining Inc.

The Pure Gold Red Lake Mine is Canada's highest grade gold mine development project. Fully funded, the project is on track to deliver near term gold production into a rising Canadian gold price environment, with first production scheduled for late 2020. The orebody is situated within a seven kilometre long gold system that is wide open for expansion at depth and along strike, and multiple discoveries by the Company suggest potential opportunities for near-term growth.

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

ON BEHALF OF THE BOARD

"Darin Labrenz"

Darin Labrenz, President & CEO

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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 effect of COVID-19, proposed timing and cost of development plans, expected capital costs, anticipated permitting requirements and timing thereof, expected development schedule, and the focus of the Company in the coming months. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Pure Gold and there is no assurance they will prove to be correct.

Such forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the potential impact to the Company's development plans because of COVID-19, interpretation of results at the Pure Gold Red Lake Mine 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; the timing of future economic studies; 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 March 25, 2020 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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