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TSX-Venture: PST

PISTOL BAY CLOSSES FIRST TRANCHE OF FINANCING

December 30, 2016: Pistol Bay Mining Inc. (TSX-V - PST; Frankfurt - OQS2) (“**Pistol Bay**” or the “**Company**”) announces that it has closed the first tranche of its financing previously announced October 25, 2016 and amended November 25, 2016.

The Company closed on 2,710,000 non flow through units at \$0.07 for gross proceeds of \$189,700. Each unit consists of one common share and one share purchase warrant. One warrant will entitle the holder to purchase one additional common share of the company at a price of \$0.12 for eighteen (18) months expiring June 29th 2018.

The Company also closed on 135,000 flow through units at \$0.09 for gross proceeds of \$12,150. Each unit consists of one common share and one half of one share purchase warrant. One whole warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.15 for eighteen (18) months expiring June 29th 2018.

Shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period of four months expiring April 30th 2017. The proceeds of the private placement will be used for general working capital and exploration on the Company's mineral properties.

About Pistol Bay Mining Inc.

Pistol Bay Mining Inc. is a diversified Junior Canadian Mineral Exploration Company with a focus on precious and base metal properties in North America. For additional information please contact Charles Desjardins – pistolbaymining@gmail.com - at Pistol Bay Mining Inc.

On Behalf of the Board of Directors

PISTOL BAY MINING INC.

“Charles Desjardins”

Charles Desjardins,
President and Director

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This report contains forward looking statements. Resource estimates, unless specifically noted, are considered speculative. Any and all other resource or reserve estimates are historical in nature, and should not be relied upon. By their nature, forward looking statements involve risk and uncertainties because they relate to events and depend on factors that will or may occur in the future. Actual results may vary depending upon exploration activities, industry production, commodity demand and pricing, currency exchange rates, and, but not limited to, general economic factors. Cautionary Note to US investors: The U.S. Securities and Exchange Commission specifically prohibits the use of certain terms, such as "reserves" unless such figures are based upon actual production or formation tests and can be shown to be economically and legally producible under existing economic and operating conditions.