



PISTOL BAY
TSX-V: PST

Phone 604 369 8973
TSX-Venture: PST
Suite 700-838 W Hastings Street
Vancouver, BC, V6C 0A6

PISTOL BAY RECEIVES FIRST RESULTS OF VTEM PLUS® SURVEY AT CONFEDERATION LAKE

August 25, 2017: Pistol Bay Mining Inc. (TSX-V - PST; Frankfurt - OQS2) (“**Pistol Bay**” or the “**Company**”) is pleased to announce that Geotech Ltd. of Aurora, Ontario has completed a helicopter-borne VTEM Plus® survey of the eastern three-quarters of Pistol Bay’s land holdings in the Confederation Lake greenstone belt, southeast of Red Lake, Ontario. The first set of products has been delivered to Pistol Bay, including electromagnetic (EM) profiles and total-field magnetics. More data products will be delivered over the next few weeks.

The VTEM (Versatile Time-domain Electro Magnetic) system was first deployed in 2005, when it featured a 30-metre diameter transmitter loop, capable of putting out more powerful “pulses” than any other helicopter-borne system, giving it unprecedented depth penetration. Continual improvements over the years have led to the VTEM Plus® system, with a 36-metre transmitter loop and improved signal processing, allowing it to “see” even deeper.

The Confederation Lake greenstone belt has long been known as being prospective for zinc-copper VMS (Volcanogenic Massive Sulphide) mineralization. Electromagnetic survey methods, both on the ground and airborne, have been the most important exploration tool for VMS deposits and have been responsible for virtually every VMS discovery since the early 1960s.

The history of the Confederation Lake greenstone belt has paralleled the history of electromagnetic surveying. The first substantial deposit in the belt was the Copperlode “A” (also known as Fredart “A”) deposit¹ was discovered in the early 1960s by prospecting, which led to widespread appreciation of the VMS potential of the area. In the late 1960s, Selco Exploration Co. carried out an airborne EM survey, and drill testing of anomalies led to the discovery of the South Bay zinc-copper-silver deposit. Selco put the South Bay mine into production in 1971, producing approximately 1.45 million tonnes until its closure in 1981. Although it was a relatively small deposit, it’s high grade of 11.06% zinc, 1.80% copper and 72.7 grams/tonne silver² is reported to have made it a very profitable mine for Selco.

Between the South Bay discovery and 1998, several companies, including Noranda Exploration Co. and Minnova Inc., surveyed all, or parts, of the Confederation Lake belt with airborne EM systems of increasing power and depth penetration, looking for “blind” sulphide zones (i.e. zones that do not come to surface). New sulphide zones were found by drill testing of EM anomalies. However, the next two substantial discoveries were made by Noranda in the 1990s using deep-penetrating, time-domain ground surveys in areas of favourable geology. The top of the Arrow Zone is approximately 150 metres below surface. The Arrow Zone was drilled by Noranda, then by Tribute Minerals Inc., which acquired all of Noranda’s assets in the area in

2003. Pistol Bay optioned all of Tribute Minerals' properties, including the Arrow Zone, in October 2016 and is currently waiting for a new mineral resource estimate³.

The top of the Hornet Zone is 300 metres below surface; Noranda only tested it with three drill holes. Pistol Bay is in negotiations to acquire a majority interest in the 4-claim property that includes the Hornet Zone. Ground time-domain EM systems, like the Crone PEM and Geonics EM-37 that were used by Noranda, are not practical for exploring large areas, because of their high cost. The new VTEM Plus® system offers similar depth penetration capabilities at a cost that allows large areas to be covered effectively.

After reviewing the first tranche of the VTEM Plus® survey results, Pistol Bay has seen a number of anomalies where no mineralized zones were previously known. No exploration decisions will be made until all of the survey results are in, and appropriate interpretation and modeling procedures have been used. CEO Charles Desjardins stated "We are very encouraged by these preliminary results. We now have complete coverage of our land package with a system that can detect sulphide zones at depths of 300 metres or more, possibly much more (up to 700 meters). It gives us the opportunity to look deeper than anyone else has been able to."

Note¹: The Copperlode "A" or Fredart "A" zone has a historical resource estimate of 386,000 tonnes grading 1.56% copper. The method used to calculate that resource is not disclosed sufficiently to allocate that resource estimate to any of the currently accepted categories of mineral resource or mineral reserve. No Qualified Person has reviewed the resource to assess its quality or relevance. As a historical estimate, it should not be relied upon.

Note²: Although the number of tonnes produced at South Bay is consistent across published sources, there are other published statements of the grade, which are significantly higher than those quoted here, which are from an Ontario Geological Survey record, and hence are somewhat "official".

Note³: In 2007, a mineral resource estimate was made for Tribute Minerals Inc. of the **Arrow Zone**: Indicated resource, 2,071,000 tonnes grading 5.92% zinc, 0.75% copper, 21.1 g/t silver and 0.58 g/t gold, plus Inferred resource 120,500 tonnes at 2.60% zinc, 0.56% copper, 18.6 g/t silver and 0.40 g/t gold. This is now a historical resource and should not be relied upon. A new mineral resource estimate has been prepared and Pistol Bay expects to receive it shortly.

Technical information in this news release has been provided or approved by Colin Bowdidge, Ph.D., P.Geo., a Qualified Person as the term is defined in National Instrument 43-101 and consulting geologist for Pistol Bay

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Cautionary note:

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