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PISTOL COMMENCES FIELD WORK ON DIXIE PROJECTS IN RED LAKE, ONTARIO

September 7, 2016: Pistol Bay Mining Inc. (TSX-V - PST; Frankfurt - OQS2) (the “Company”) reports that it is commencing a program of field work on its zinc-rich base metal projects (the “Dixie Projects”) in the Confederation Lake greenstone belt southeast of Red Lake in northwestern Ontario.

The two Dixie Projects, comprising 1290 and 650 hectares respectively, have had histories of exploration extending back for 50 years. Both projects have been covered by multiple electromagnetic surveys, both ground-based and airborne, and both projects have been tested by multiple diamond drilling programs. These exploration efforts have resulted in multiple occurrences of predominantly zinc-rich, volcanogenic massive sulphide (VMS) mineralization. The Dixie Projects include VMS deposits with historical mineral resource estimates (*which do not comply with the standards of National Instrument 43-101, cannot be relied upon and have not been reviewed by a Qualified Person*). The Dixie 18 zone was estimated to contain 150,000 short tons (136,000 tonnes) grading 14% zinc. The Dixie 3 zone was estimated to contain 91,000 short tons (82,500 tonnes) grading 10% zinc and 1% copper. Both of these estimates include drill intercepts from surface to 1 depth of 150 metres, and both appear to be open at depth.

The Company has filed an Early Exploration Plan on the Dixie Projects, covering line cutting and ground geophysical surveys. Application has been made for an Early Exploration Permit covering stripping and diamond drilling. A fall and winter diamond drilling program is planned, subject to receipt of a Permit, to drill shallow targets that have not been adequately tested in the past. Subject to the results of the data compilation, additional deep-penetrating electromagnetic surveys will be carried out, with a view to future deep diamond drilling programs.

The Company plans a comprehensive review of past exploration work. In addition to data compilation, the review will include locating drill collars in the field, wherever possible. This will allow precise positioning of historical drill holes using differential GPS technology, to permit modelling of mineralized zones. Drill holes will also be assessed to determine if any are suitable for down-hole electromagnetic surveying to assist in searching for deeper mineralization. The availability of historic drill core will also be assessed to determine if any can be used to collect rock samples for lithochemical analysis. This will be augmented by rock samples collected in the field. In certain circumstances, lithochemistry can delineate patterns of hydrothermal alteration which may, in turn, help to generate targets for future exploration programs.

Technical material in this news release has been prepared and/or reviewed by Colin Bowdidge, Ph.D., P.Geo., a Qualified Person as defined in National Instrument 43-101.

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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