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PISTOL BAY COMMENCES WORK ON DIXIE CLAIMS - RED LAKE, ONTARIO

May 11, 2016: Pistol Bay Mining Inc. (TSX-V symbol: PST) (the "Company') is pleased to announce that it has commenced a detailed compilation and review of historical exploration data on its Dixie property, 35 kilometres southeast of Red Lake, Ontario.

The Dixie property is situated in the Confederation Lake greenstone belt, which is known to host numerous Volcanogenic Massive Sulphide (VMS) occurrences and deposits. The largest VMS deposit to date, the South Bay Mine, produced, between 1971 and 1981, approximately 354,000,000 pounds of zinc, 57,600,000 pounds of copper and 3,740,000 ounces of silver from 1,600,000 short tons (recovered grades of 11.06% Zn, 1.8% Cu and 72.7 g/t Ag). The South Bay mine site is 45 kilometres east of the Dixie property on the same felsic volcanic unit.

The Dixie property covers four groups of airborne electromagnetic anomalies, known as Dixie 17, 18, 19 and 20. The Dixie 17, 18 and 19 anomalies were explored by Selco in the 1977-1981 period, by Noranda in 1989-1992 and by Tribute Minerals Inc. between 2002 and 2009. Selco drilled a total of 40 diamond drill holes, Noranda drilled 7 holes and Tribute Minerals drilled 11 holes.

VMS type mineralized zones have been located on the Dixie, 17, 18 and 19 anomalies. A mineralized zone on Dixie 17 has yielded results up to 7.34% Zn and 1.4% Cu over a core length of 9.5 metres. The Dixie 18 mineralized zone has been drilled over a length of 250 metres and to a depth of 150 metres. Noranda made a resource estimate of 150,000 short tons grading 14% Zn (***Note: this is a historical resource estimate that does not comply with NI 43-101 and has not been reviewed by a Qualified Person to assess its reliability***). The Dixie 19 zone has been traced over a length of 500 metres, with drill intercepts including 6.33% Zn and 1.5% Cu over a core length of 3.55 metres.

Tribute Minerals carried out a Titan 24 "deep earth imaging" survey over the eastern one-third of the present Dixie property. It covered the Dixie 19 and 20 anomalies. The survey defined a new "blind" anomaly (i.e. one which does not come to surface) beneath the Dixie 19 zone. Two diamond drill holes put down in 2002 tested what appeared to be the top of this zone. Drill hole DX2002-01 was reported to have intersected 1.25 metres averaging 9.71% Zn, 0.20% Cu and 10.7 g/t Ag, and drill hole DX2002-04 reportedly cut 1.25 metres averaging 5.32% Zn. These intersections were at vertical depths of 262 and 350 metres respectively. No deeper drilling was done on this target, despite the interpretation that the top of the conductor was at 375 metres below surface.

A second, larger and deeper, conductive body, was located approximately coincident with, but below the Dixie 20 anomaly. The conductive body, modelled by inversion of magneto-telluric ("MT") data, has an irregular shape, but was reported to extend over an east-west length of 1,800 metres. One diamond drill hole, DX-2003-01A may have intersected the top of the conductive body. This hole cut a wide zone of altered felsic pyroclastic rocks, with variable pyrite content. The highest individual assays were 0.98% Zn and 1.13% Cu. Down-hole electromagnetic surveying indicated that this hole had penetrated a large (up to 800 × 800 metres) conductive body close to its edge. Another model of the same MT data suggested that the conductive body may trend close to north-south, i.e. sub-parallel to the survey lines and sub-parallel to the drill hole put down to test it.

The data review and compilation will collate drill hole results and assess the potential of extensions of the Dixie 17, 18 and 19 zones. It will also attempt to assess the validity of the interpreted conductors defined by the Titan 24 survey. It will make recommendations for a diamond drilling program, as well as outlining requirements for deep-penetrating electromagnetic surveys. The Titan 24 system that covered the eastern one-third of the property was in development in 2002-2003 when the survey was done, and the results may be open to re-interpretation of target geometries. The western two-thirds of the property has been tested by EM surveys and diamond drilling to depths of no more than 200 metres. To illustrate the type of deposit that might be expected in the Confederation Lake Belt, the South Bay Mine produced from a series of massive sulphide lenses, of which the deepest and richest extended from a depth of about 330 metres to 440 metres. Deeper-penetrating exploration technologies will substantially increase the possibility of economically significant discoveries.

Technical information in this news release has been provided and/or reviewed by Colin Bowdidge, Ph.D., P.Geo., a Qualified Person as defined in NI 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.

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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.