



PISTOL BAY
TSX-V: PST

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PISTOL BAY FINANCING UPDATE

July 8, 2016: Pistol Bay Mining Inc. (TSX-V symbol: PST) (the “Company”) is pleased to announce that further to its news release of April 20, 2016, the Company, subject to the approval of the TSX Venture Exchange, is proceeding with the previously announced proposed private placement of up to 10 million units for total proceeds of up to \$550,000.

Up to 5 million units will be issued as non-flow-through units at a price of \$0.05 per unit consisting of one common share and one whole warrant. Each whole warrant will entitle the holder to purchase one additional common share of the company at a price of \$0.075 per share for 12 months from the date of closing. Up to 5 million units will be issued as flow-through units at a price of \$0.06 per unit consisting of one common share and one-half of one whole warrant. Each whole warrant will entitle the holder to purchase one additional common share of the company at a price of \$0.09 per share for 12 months from the date of closing. Finders' fees, as allowed pursuant to the policies of the TSX Venture Exchange, may be payable in connection with the offering.

The Company also reports that it is continuing with 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.

The data review and compilation will collate past 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 outline 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 at pistolbaymining@gmail.com or visit the website at www.pistolbaymininginc.com.

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.