

# Rio Tinto Completes Drilling on C-5 Uranium Property Saskatchewan

June 4, 2014 (Source: Marketwired) – Pistol Bay Mining Inc. (TSX VENTURE:PST) (“the Company”) reports that Rio Tinto Exploration Canada Inc. (Rio Tinto) has completed the planned 2014 winter diamond drill program and gravity survey on Pistol Bay Mining Inc.’s C-5 property, located in the Athabasca basin, Saskatchewan.

The 2014 winter drilling program consisted of six diamond drill holes totalling 3,344 metres. This drill program followed up the 2013 drill program which consisted of 6 drill holes, totalling 2,760 metres.

The best uranium mineralization in drill hole 14CBK003 returned 0.054% U308 over 1.5 m (including 0.071% U308 over 0.5 m) in sandstones immediately above the unconformity. However, due to high core loss; 1m of loss over 2m, these assay numbers are not considered truly reflective of the mineralization. Down hole gamma values for the mineralized interval returned >1000 cps over 1.3m with a max of 1970 cps. This drill hole is located 100 m northeast of 2013 drill hole 13CBK003 which intersected what appeared to be a minor mineralized fracture associated with quartzite just below the unconformity. Gamma probing returned a maximum value of 688CPS across the interval of mineralization which appears to be isolated to a fracture coating.

Uranium mineralization in drill hole 14CBK005, located 50m northeast and along strike of mineralization in 14CBK003, returned 0.041% U308 over 0.32m located immediately below the unconformity, as well as 0.022% U308 over 1m located 5m further down hole.

Significant mineralized drill hole intercepts are summarized below:

DDH	From (m)	To (m)	Interval (m)	U (ppm)	U308 (%) *
<b>14CBK003</b>	366	367.5	1.5	460	0.054
Including	366.5	367	0.5	606	0.071
<b>14CBK005</b>	379.82	380.04	0.32	346	0.041
<b>14CBK005</b>	385	386	1.0	184	0.022

\*U308 calculated by multiplying U ppm by 1.179

The project under option to Rio Tinto consists of three properties (designated C-4, C-5 and C-6) cover a total area of 4,011 acres (1,624 hectares) in the southeastern part of the Athabasca basin. The dispositions adjoin the northwest side of the Wheeler River property of Denison Mines Corp. (60 per cent), Cameco Corp. (30 per cent) and JCU (Canada) Exploration Co. (10 per cent) containing the Phoenix discovery. The C-6 property lies approximately one kilometre north of the Phoenix deposits. The property lies midway between the producing McArthur River mine and the former producing Key Lake mine.

Denison Mines (as of December 31, 2012) has reported an indicated resource of 52,300,000 pounds of U308 grading 15.6 per cent U308 and inferred resource of 7,600,000 pounds of U308 grading 29.8 per cent in the Phoenix deposits. Denison is presently preparing a new resource estimate. The McArthur River uranium mine owned by Cameco (70 per cent) and AREVA Resources Canada (30 per cent) is mining an orebody with estimated proven and probable reserves of approximately 360 million pounds of U308 grading 15.76 per cent U308, a measured and indicated resource of 13.6 million pounds of U308, an inferred resource of 57 million pounds of U308, and past production of 250.6 million pounds of U308 (Cameco 2013 annual report). This uranium deposit (approximate size of 680 million pounds of U308) is the world's largest high-grade uranium mine.

The three properties lie on a structural corridor located along a belt of Archean metasediments in the subAthabasca basement. Previous airborne EM surveys have defined conductors on the C-4 and C-5 blocks. Previous drilling in the area has resulted in the recognition of a broad zone of clay alteration of the type that is always associated with unconformity-type uranium mineralization in the Athabasca basin. There is also evidence from prior drilling that a quartzite ridge in the basement, similar to that which appears to be at least partially responsible for localizing the giant McArthur River orebody and the Phoenix zones, is present on the C-5 block.

Technical information in this news release has been prepared and/or revised by Mike Magrum, PEng, and qualified person as defined in National Instrument 43-101.

#### Terms of Option Agreement

Rio Tinto earned an initial 55% interest in the C Blocks (including C-5) property by incurring \$1,000,000 in expenditures and making an initial payment of \$147,000 to Pistol Bay Mining in January 2012. Rio Tinto has the right to increase its interest to 75% by incurring an additional \$1,000,000 in expenditures before December 31, 2014. For a period of five years after the exercise of this second option, Rio Tinto may increase its interest to 100% by paying Pistol Bay \$5,000,000 – whereupon Pistol Bay shall receive a 5% net profits interest royalty.

**About Pistol Bay Mining Inc.** (TSX VENTURE:PST) 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 Pistol Bay Mining Inc. or visit [www.pistolbaymining.com](http://www.pistolbaymining.com).

On Behalf of the Board of Directors

**PISTOL BAY MINING INC.**

Charles Desjardins, President and Director

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