



POWDER MOUNTAIN ENERGY LTD. ANNOUNCES PROPOSED PRIVATE PLACEMENT OF COMMON SHARES

Calgary, Alberta, June 27, 2014 – Powder Mountain Energy Ltd. (“**Powder Mountain**” or the “**Corporation**”) (TSX-V: PDM) is pleased to announce that it has finalized the terms and conditions of a non-brokered equity private placement (the “**Offering**”). The Offering will be made to certain insiders of Powder Mountain and will consist of the issuance of up to 283,334 common shares (“**Common Shares**”) of the Corporation at a price of \$0.90 per Common Share for aggregate gross proceeds to the Corporation of up to \$255,000.60.

The Common Shares issuable pursuant to the Offering will be subject to a hold period expiring four months and one day following the closing of the Offering. In connection with the Offering, certain insiders of the Corporation may complete a “gypsy swap” whereby they would sell up to 283,334 Common Shares of Powder Mountain in pre-arranged trades over the facilities of the TSX Venture Exchange (the “**Exchange**”), and then purchase up to 283,334 Common Shares under the Offering subject to regulatory approval, including final approval of the Exchange.

Powder Mountain may pay finders’ fees in cash of up to 6% of the gross proceeds raised pursuant to the Offering to eligible persons in accordance with applicable laws.

The net proceeds of the Offering will be used by the Corporation for general corporate purposes.

Closing of the Offering is expected to occur on or about July 4, 2014 and is subject to the approval of the Exchange.

Not for distribution to U.S. news wire services or dissemination in the United States.

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

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale

would be unlawful prior to registration or qualification under the securities laws of any such province, state or jurisdiction.

Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events. All statements other than statements of historical fact are forward-looking statements. The use of the words “may”, “expected”, “believes” and other words of a similar nature are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although Powder Mountain believes these statements to be reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. Such statements include statements with respect to receipt of Exchange approval of the Offering, completion of the Offering, and the payment of cash commissions to certain finders in connection with the Offering. Actual results could differ materially from those anticipated in these forward-looking statements as a result of prevailing economic conditions, receipt of requisite regulatory approvals, and other factors, many of which are beyond the control of Powder Mountain. The forward-looking statements contained in this news release represent the Corporation’s expectations as of the date hereof, and are subject to change after such date. Powder Mountain disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable securities regulations.

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