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MONTAN MINING CORP ANNOUNCES AGREEMENT TO ACQUIRE GOLD MINE AND MILL ASSETS IN SOUTHERN PERU

- **Montan Mining Corp. (TSXv: MNY) to acquire operational gold mine and plant in southern Peruvian mining district of Caraveli.**
- **1,172 hectare project with 32 identified veins, 2 kilometres of underground development and a 60 tonnes per day CIP Plant permitted up to 100 TPD.**
- **Previous operator and vendor produced and sold 670 tonnes of mineralized rock at an average realized compensation for 15.23 grams per tonne (g/t) gold; and 1,675 tonnes of mineralized rock at an average realized compensation for 11.8 g/t gold (recovered from processing by area toll millers) respectively.**
- **Montan will acquire Cerro Dorado SAC for 10 million MNY shares on execution of the sale, the issuance of another 2 million shares upon sale of 1,000 oz Au from the property, and the further issuance of 2 million shares upon sale of an additional 2,000 oz Au (3,000 oz Au total) from either the mine or the plant.**
- **Montan’s initial focus will be on optimizing mining operations for consistent production.**

Vancouver, BC, July 14, 2016 – Montan Mining Corp. (TSXv: MNY | FSE: S5GM | SSE: MNYC) (“Montan” or the “Company”) is pleased to announce the signing of a Term Sheet with Chazel Capital Inc. (“Chazel”) for the purchase, by Montan, of the Peruvian Company Cerro Dorado SAC (“CD”) from Chazel. Montan will acquire 100% of CD in an all-share deal with Chazel, and assumption of operating expenses during a period of continued due diligence, commencing on July 25th, 2016.

The acquisition of CD includes 100% of all CD assets including its option and permits on, and operatorship of, the Rey Salomon gold mine and process plant located 650km southeast of Lima

in the department Arequipa, district of Caraveli. The mine has seen extensive development by CD since 2012 with over \$4M USD invested into the project. The on-site mill is designed to allow a start-up throughput of approximately 60 tonnes per day (“tpd”), though it is permitted up to 100 tpd.

Mine production and sales records indicate the following recent production:

Company	Mineralized Tonnes	Contained Au (g/t)	Source
Minera OFIR	670	15.23	2004 - 2009: sales records
Chazel	1,675	11.8	2013 - Present: sales records

The 1,172 hectare Rey Salomon project is located at 1,400m ASL 47 road kilometers east from the coastal town of Atico. There are no known conflicting claims to surface rights on the project and no agriculture or conflicting land usages in the immediate area of the project. CD has also represented that it holds all the required licenses, permits and surface rights for the current operations. The project is accessed by 40 km of well-maintained, paved highway between Atico and Caraveli and 7 km of well-maintained gravel road suitable for hauling ore.

Underground development to date has been limited to 5 veins and is summarized as follows:

- 1,246m in 27 drifts
- 317m in 14 adits
- 400m (approximately) in 18 raises
- 48 faces

Due diligence is ongoing. However at the present time the Rey Salomon project has not been the subject of detailed field studies or NI-43-101 compliant technical reporting. There are no feasibility or other economic studies of mine operations or mineral reserves. Any future production plans are not based on a feasibility study of mineral reserves. In such situations there are increased risks and uncertainty and historically there is a higher rate of failure for production decisions not based on a feasibility study.

The Carbon-in-Pulp (CIP) cyanidation plant consists of a standard coarse and fine crushing circuit, followed by grinding with two ball mills (6’ x 4’ and 3’x 4’) and size classification by hydrocyclones. The leaching circuit consists of five tanks operating in series (1 at 20’ x 20’, 4 at 12’ x 12’) giving a retention time of approximately 36 hours. Leaching is followed by recovering the loaded carbon with a rotary screen; the barren pulp is pumped to a lined tailings pond. All necessary ancillaries are in place and there is a 43 person refurbished camp located on site. The current nominal capacity of the plant is 60 tpd.

The project is located within granodiorites and tonalites of the extensive Upper Cretaceous Coastal Batholith Complex of southern Peru. Mineralization within this section of the batholith occurs as structurally controlled east-west and northwest-southeast trending, vertical to sub vertical mesothermal quartz-pyrite ± arsenopyrite ± chalcopyrite veins with gold, silver and occasional copper. Silicification, propylitic and argillic alterations are observed.

Only 5 of the 32 recognized vein structures have seen underground development and porphyry potential has not yet been evaluated within the project area, but such bulk tonnage deposits are known to occur nearby within the Coastal Batholith Complex.

Transition management and project optimization for Montan will be directed by experienced local staff, advised by Mr. Michel Robert, B.A., B.A.Sc. (Hons), M.A.Sc. (Hons), metallurgist, mining engineer and Director of Montan.

Mr. Robert was Senior Vice President of Pan American Silver Corp. from 1995 to 2001. He was responsible for the management of operations in Latin America and oversaw expansion of the company in Peru, Mexico and Bolivia. In Peru, Mr. Robert's experience includes managing the start up of the Tintaya Mine, advising Minero Peru in its privatization process, and the due diligence, acquisition, rehabilitation, and expansion of several mines, including those of Pan American Silver in country.

Montan will further benefit from the immediate engagement on the project of Mr. Jose Luis Garcia Yrivarren, Montan's VP Operations in Peru, who will work with CD's existing team of high quality professionals. Mr. Garcia was previously employed in a comparable role at Peru's largest private gold processing company, a firm that produced 79,966 ounces of gold in 2014 through its gold milling facility located in the Chala district.

"The acquisition of a compelling small scale gold mine, strategically located in an area developed by both artisanal and larger scale commercial scale gold miners offers a springboard for growth and the creation of shareholder value. Seven kilometers north of Cerro Dorado is the closest comparable, Mina Calpa, which has produced more than 462,000 ounces of gold intermittently since the 1940's," stated Mr. Ian Graham, Chief Executive Officer of Montan.

"The potential to rapidly acquire, finance and bring to free cash flow a property with over two kilometers of existing pre-development work and a processing plant presents Montan with a rare opportunity to become a producing miner before year-end. It is our belief that through this acquisition Montan will bring best practices and capital to an already high quality property with significant production and exploration upside," stated Mr. Luis Zapata, Montan's Executive Chairman.

Acquisition Terms:

MNY will purchase 100% of the shares of the Peruvian company Cerro Dorado SAC, ("CD") with assets that comprise an option on the Rey Salomon mine in Peru, a 60 tpd CIL processing plant, and the associated permits, leases, access rights and mineral tenures, under the following terms:

- Payment would be for 100% of CD including only the following debt:
 - \$300,000 USD owed by CD in Peru, which MNY will assume. The initial share payment to Chazel will be adjusted for the difference between this value and the actual debt value at the date of closing using the 20-day VWAP of MNY shares.

- Debt owed to the owners of the Rey Salomon mine, including monthly payments and buyout, which MNY would assume.
- Montan will have a 3 month due-diligence period to inspect CD assets before committing to execution of sale. During this period, Montan will assume all costs to maintain the Rey Salomon mine option and all expenses to maintain CD starting from July 25th 2016 onward. Montan must pay lease payments and other expenses one week before due, otherwise the agreement is terminated at Chazel's option. Montan must provide 15 days notice for termination of the option, and complete a \$150,000 financing during the due diligence period.
- MNY will deliver the following:
 - 10 million Montan Shares on execution of sale (adjusted as outlined previously) to be held in escrow and released at 2 million shares at the end of every 3 months from the day of closing.
 - 2 million Montan Shares upon sale of 1,000 oz Au-contained ore or dore from either the mine or the plant.
 - 2 million Montan Shares upon sale of an additional 2,000 oz Au-contained ore or dore (3,000 oz total) from either the mine or the plant.

Pursuant to the Term Sheet, Chazel has agreed to grant Montan the exclusive right to pursue a transaction relating to Cerro Dorado or any other transaction similar to the transaction contemplated in the Term Sheet for a period commencing on the date hereof and ending on July 24, 2016 (the "Exclusivity Period"). This exclusivity period grants Montan the time to secure funds to cover the costs of the ongoing Rey Salomon option payments and Cerro Dorado operating costs.

If Montan elects to proceed with the transaction by assuming the option payments and Cerro Dorado operating costs from July 25th, 2016, onward, the standstill and exclusivity are extended until October 30th, 2016, or until a Definitive Agreement is completed.

Chazel has agreed that during the Exclusivity Period neither it, nor any of its subsidiaries will (and each will cause its respective agents, representatives and any other person acting on its behalf not to), directly or indirectly, solicit, discuss, negotiate, facilitate, or accept any offers for a transaction with or from any other third party.

Closing of the transaction is conditional upon TSX Venture Exchange approval.

Closing of Previously Announced Private Placement

Further to its news release of June 6, 2016, the Company advises that it will not be completing a second tranche of its private placement first announced April 21, 2016.

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Ms. Jenna Hardy, M.Sc., P.Geo., of Nimbus Management Ltd., a Qualified

Person.

On behalf of the Board of Montan.

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About Montan Mining Corp.

Montan is backed by an experienced and high-energy management team with diverse technical, market and finance strengths and expertise and is supported by committed and sophisticated investors focused on building value for the long term.

For more information, please visit the corporate website at <http://www.montanmining.ca> or contact:

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Forward-Looking Statements Certain statements in this press release are forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this press release include that we will acquire the Peruvian Rey Salomon mine from Chazel; that we can rapidly finance to free cash flow and become a producing miner before year-end; and that this can be a springboard for growth and create shareholder value. Such forward-looking statements and information are subject to risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement. Specific risks included that we may not be able to finance our intended acquisition and we may not obtain regulatory approval.

The Cerro Dorado assets have not been the subject of a feasibility study and as such there is no certainty that the mine or the mill will be able to produce a commercially marketable product. There is a significant risk that any production efforts from the project will not be profitable with these risks elevated by the absence of a defined resource and economic study. The Company's reliance on historic production and third party gold recovery statistics is necessary under the circumstances, but is not compliant with NI 43-101 reporting standards. There are increased

risks and uncertainty in making a production decision without such a study and a historically higher rate of failure for production decisions not based on a feasibility study. General risks include the reliance on available data and assumptions and judgments used in the interpretation of such data, the speculative and uncertain nature of exploration and development, exploration and development costs, capital requirements and the ability to obtain financing, volatility of global and local economic climates, share price volatility, estimate price volatility, changes in equity markets, increases in costs, exchange rate fluctuations and other risks involved in the mineral exploration and development industry. There can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Also, many of the factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update any forward-looking statements or information except as required by law.