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MONTAN MINING SIGNS DEFINITIVE AGREEMENT TO ACQUIRE CERRO DORADO AND CLOSES SECOND TRANCHE OF NON-BROKERED PRIVATE PLACEMENT FOR \$467,069

- **MONTAN MINING SIGNS DEFINITIVE AGREEMENT WITH CHAZEL CAPITAL TO ACQUIRE CERRO DORADO S.A.C IN PERU.**
- **MONTAN MINING CLOSES SECOND TRANCHE OF NON-BROKERED PRIVATE PLACEMENT FOR GROSS PROCEEDS OF \$467,069.**

Vancouver, BC, December 15, 2016 – Montan Mining Corp. (TSXv: MNY | FSE: S5GM | SSE: MNYC) (“**Montan**” or the “**Company**”) is pleased to announce that it has signed a Definitive Share Exchange Agreement (the “**Definitive Agreement**”) with Chazel Capital Inc. (“**Chazel**”) to acquire 100% of Cerro Dorado S.A.C. (“**Cerro Dorado**”). The transaction (“**Transaction**”) is expected to close in January, 2017.

Cerro Dorado holds an option and permits to operate the Rey Salomon gold mine with 2 km of underground development, 32 identified veins, and a 60 tonnes per day capacity carbon-in-pulp processing plant currently permitted for up to 100 tonnes per day. The entire mineral property under option by Cerro Dorado is comprised of 4 concessions totalling 1,172 hectares located in the district of Arequipa, province of Caraveli, Peru.

"The signing of the Definitive Agreement to acquire Cerro Dorado is the start of a new era for Montan Mining. Our strategy is to build a profitable mining company by focusing on filling this plant by potentially acquiring feed from more small scale mines and from strategic long term mining partners known to our local Peruvian management through their decades of experience in the toll milling industry." stated Ian Graham, Montan's CEO.

As consideration for the acquisition, Montan will issue 10,000,000 common shares of Montan (“**Montan Shares**”) to Chazel on closing of the Transaction (“**Closing**”) and assume approximately USD \$264,000 of Cerro Dorado's local debt in Peru. The Montan Shares issued to Chazel will be subject to a four (4) month hold period in Canada. In addition, the Montan Shares will be subject to an escrow agreement whereby 1,000,000 Montan Shares are released from

excrow on Closing and 1,500,000 Montan Shares are released on every six (6) month anniversary of Closing until all Montan Shares are released by the end of 3 years.

Following Closing, Montan will also issue up to 4,000,000 Montan Shares to Chazel subject to and upon satisfaction of the following milestones:

- 2,000,000 Montan Shares upon the sale by Montan of 1,000 ounces of gold-contained ore or dore from either the Rey Salomon gold mine or the associated plant; and
- 2,000,000 Montan Shares upon the sale by Montan of an additional 2,000 ounces (for an aggregate of 3,000 ounces) of gold-contained ore or dore from either the Rey Salomon gold mine or the associated plant.

All Montan Share numbers referred to above are subject to adjustment for stock splits, stock consolidations recapitalizations and other corporate transactions affecting the capital structure of Montan, but excluding equity financing activities completed by Montan prior to Closing. Upon Closing, Cerro Dorado will become a wholly owned subsidiary of Montan.

Closing of the acquisition is subject to approval of the TSX Venture Exchange.

Furthermore, the Company is pleased to announce that it has closed the second tranche of the non-brokered private placement announced on October 19, 2016 and increased on November 30, 2016. Montan issued 9,341,387 units at \$0.05 per unit for total gross proceeds of \$467,069 in this second tranche closing. Both tranches combined have now raised a total of \$875,569 in gross proceeds.

Each unit consists of one common share and one transferable share purchase warrant, with each warrant exercisable into one additional common share at \$0.10 per share for five (5) years after the closing date.

The Company has paid finders' fees in the aggregate amount of \$3,500 to non-individual parties on this tranche. Closing of the financing is subject to receipt of final applicable regulatory approval. All securities issued in connection with the private placement will be subject to a restricted period that expires four months following the date of issuance.

On behalf of the Board of Montan.

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CEO and Director
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About Montan Mining Corp.

Montan is backed by an experienced management team with diverse technical, market, and finance expertise and is supported by committed and sophisticated investors focused on building value for the long term. The Company is engaged in closing the acquisition of an operation ready gold mine and gold processing plant in the southern Peruvian mining district of Caraveli under a Share Exchange Agreement with Chazel Capital Inc. (“**Chazel**”) for the purchase of its 100% owned Peruvian subsidiary Cerro Dorado S.A.C. (“**Cerro Dorado**”).

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 close our acquisition, that we can become a profitable mining company by focusing on filling our toll milling plant with mineral coming either from our own mine and/or from strategic long term mining partners; that after closing its acquisition of Cerra Dorado Montan will focus on leveraging the existing plant, mining concessions and permit infrastructure to secure long term mineral feed from strategic mining partners and restart production at both the Cerro Dorado plant and the Rey Salomon gold mine. 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 complete the announced financing, or to finance our intended acquisition and we may not obtain regulatory approval. We may not be able to become profitable even if we are producing and milling to capacity, profitability depends on revenues and expenses which are not completely controllable; we may not be able to secure mineral feed from other miners; and we may not be able to restart production because of technical or expense issues.