



CEO LETTER TO MONTAN SHAREHOLDERS – SEPTEMBER, 2018

Dear Shareholder

I am pleased to update you regarding our recent progress in restructuring Montan Mining and our immediate plans for commencing gold production and creating substantial shareholder value. Earlier this year Montan Mining entered into an agreement for Lions Bay Capital (TSX-V: LBI) to lead the restructuring of Montan Mining. Since announcing our collaboration with Lions Bay Capital, we have made substantial progress in transforming and repositioning Montan Mining for future growth.

Recent Milestones

- Decreased debt by \$1.1M.
- Consolidated our share structure on a 3:1 basis.
- Welcomed Lions Bay Capital as a substantial shareholder.
- Strengthened our board with the addition of Lions Bay Capital nominee.

As part of due-diligence activities, executives from Lions Bay Capital visited the Cerro Dorado project in Southern Peru and confirmed the inherent value in the onsite gold processing infrastructure including the accompanying Rey Salomon gold mine. Montan Mining remains confident that the fully permitted Cerro Dorado plant constructed at a cost of more than \$4 million is a strategically important asset for regional gold processing in the Atico Valley. Plans to restart operations at Cerro Dorado have been developed in collaboration with our partners and have been independently reviewed by third-party experts and support the board's view that the plant is capable of being recommissioned with modest start-up capital.

With the support of Lions Bay Capital, the board of Montan Mining has recently performed a comprehensive strategic review of the company, with the key findings of the review underpinning an optimized corporate strategy to accelerate corporate growth.

Based on Montan Mining's base-case scenario (stage 1) for recommencing gold production at Cerro Dorado, Montan Mining expects to be cashflow positive in the near term. In the board's view, this is the best opportunity to generate near-term value for shareholders and reduce the requirement for future capital raisings. Whilst Montan Mining has been active in progressing plans for Cerro Dorado, with the support of Lions Bay Capital, the company has also been active in

reviewing several significant business development opportunities that have the potential to provide the company with a substantial precious metal resource base and rapidly transform the company.

Key Priorities

- Stage 1 - Recommission the Cerro Dorado plant at nominal 60TPD capacity.
- Stage 2 - Expand Cerro Dorado plant throughput to 115TPD within 120 days of Stage 1.
- Ongoing - Continue to assess high impact precious metal focused M&A opportunities.

In order to fund the recommissioning of the Cerro Dorado plant, executives of the company will be conducting a North American Investor Roadshow in coming weeks. As the largest shareholder of the company, Lions Bay Capital intend to support the planned Montan Mining capital raising and execution of the optimized business plan.

The Investor Roadshow Presentation, is available from the Montan Mining website: www.montanmining.ca

On behalf of the board of Montan Mining, we thank you and appreciate your patience and support as a shareholder. Montan Mining has always believed in our assets and our people. With the corporate support and network of Lions Bay Capital, we are confident we are on the cusp of transforming the company into a profitable near-term gold producer with potential for further expansion through value-accretive M&A activity.

Sincerely,
Ian Graham

About Montan Mining Corp.

Montan Mining Corp. is an emerging gold producer focusing on ensuring near term cash flow from its mining assets in Peru. The company 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 long term value, now anchored by Lions Bay Capital Inc.

On behalf of the Board of Montan.

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