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## **PRESS RELEASE**

### **MONTAN MINING SECURES UP TO 90 TONNES PER DAY MILL FEED TO LAUNCH PRODUCTION AT THE MOLLEHUACA PROCESSING PLANT**

**Vancouver, BC, August 6th, 2015** – Montan Mining Corp. (TSXv: MNY) (FSE: S5GM) (the “Company” or “Montan”) is pleased to announce the signing of a Mineral Processing Memorandum of Understanding (the “MOU”) between Intigold Mining S.A. (“Intigold”), a Peruvian-owned private company, and Compañía Procesadora Mollehuaca S.A.C. (“CPM”, a Peruvian-owned private company being acquired by Montan through the definitive agreement with Goldsmith Resources S.A.C.) to provide a stable supply of 60 tonnes per day (“tpd”) increasing to 90 tpd of stockpiled material from Intigold’s wholly owned Mina Calpa project for treatment at CPM’s mineral processing facility near Chala.

#### **Key points:**

- Secures base load mill feed for CPM’s Mollehuaca Processing Facility for the first three months of operation with remaining processing capacity available to treat feed from other sources;
- CPM acquires mineral feed on net-30 day payment terms eliminating the need for an advanced purchase financing facility or requirement for major working capital for the feed sourced from Mina Calpa;
- Revenue from the processed mineral feed under this agreement is expected to cover all the operational costs of Montan’s Peruvian operations;
- Provides CPM with feed capacity to commence commercial production at Mollehuaca Processing Facility

Under the terms of the agreement, effective August 1st, 2015, a minimum available supply of 60

tpd of oxidized stockpiled material will be shipped to the Mollehuaca Processing Plant increasing to 90 tpd of minimum available supply at CPM's election for the remainder of the term with an option to renew on October 31, 2015. The cost of transporting material from Mina Calpa to the Mollehuaca Processing Plant is to be shared equally amongst the parties. This agreement will provide a base load of mineral feed to the Mollehuaca Processing Plant without the requirement of upfront capital to purchase material; and is expected to cover the operating cost of the processing plant and Montan's other Peruvian operations. The first shipment of material is expected to arrive at the Mollehuaca Processing Plant on Friday August 7<sup>th</sup>.

The Mina Calpa mill feed will be processed at the Mollehuaca Processing Plant on a toll-processing basis and will include among other charges a \$110 per ton processing fee payable to CPM at grades between 0.3 – 0.4 oz/tn Au. This agreement is expected to contribute an estimated net monthly revenue of USD \$220,000 to CPM assuming a realized USD \$1080.00 per ounce gold price on sales, 60 tonnes per day, 85% recovery and 8 g/t Au material being shipped to the plant. The Company will work to fill the remaining plant capacity with mill feed from other sources including but not limited to further feed arrangements of this nature.

Mina Calpa is an historic underground gold mine, located in the Arequipa district in Peru. Commercial production at Mina Calpa started in 1933. From 1933 to 1961, the mine was a principal gold producer among medium size gold mines in Peru and the mill is reported to have treated 1.76 million tonnes averaging 12 g/t Au. The mine was closed during the late 1960's and reopened in 1980, treating an additional 2.74 million tonnes. The mine-mill complex was furloughed in 2014. The plant has a design capacity of 850 tpd and is currently on care and maintenance. Mina Calpa is a fully developed industrial site, with all shops, services and accommodations for workers in working order.

Several of the existing stockpiles of material are reported to be at an average grade above 9 g/t Au and will constitute the primary material to be shipped to Mollehuaca. Montan will sample and verify stockpiled material prior to shipment. There is also the possibility of eventually mining additional readily accessible material from the mineralised vein stockwork extant on the property, some of which is accessible from existing underground development.

Mina Calpa and Mollehuaca are both located in the province of Caraveli, District of Arequipa, on the Southern Coast of Peru. The two sites are separated by 172 km, more than half of which is on the major Pan American highway.

Ian Graham, CEO of Montan Mining states: "The establishment of secure feed from Mina Calpa for the Mollehuaca Processing Plant is a strong foundation for Montan's growth as we commence commercial operations. The revenue generated from this feed should cover our operating costs in Peru and significantly reduces the amount of startup working capital needed for mineral purchase. We are currently evaluating other similar arrangements, as well as supplemental high grade mineral supply opportunities. We are excited by this initial working arrangement with Intigold and we look forward to future opportunities to collaborate and build on our relationship."

Montan has a binding agreement to purchase Goldsmith Resources SAC, the Peruvian parent

company of CPM and other Peruvian companies for \$3,300,000 (see Montan news release dated June 11, 2015). Under the terms of the agreement, Montan has been in charge of operations at the Mollehuaca Plant since June, and Montan personnel negotiated the MOU with Intigold. Closing of the purchase of Goldsmith is expected to occur in early fall, 2015.

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.

## **MONTAN MINING CORP.**

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### **About Montan Mining Corp.**

Montan Mining Corp. (TSXv: MNY) (FSE: S5GM) is positioned for growth in Peru through the acquisition and development of advanced and/or cash flow mining opportunities. 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.

Montan recently entered into a definitive agreement with Goldsmith Resources SAC to acquire the Mollehuaca operating gold processing plant as well as the Eladium gold mine in southern Peru. The Mollehuaca Processing Plant had been recently expanded and has both a carbon-in-pulp (“CIP”) circuit as well as a flotation circuit with a total capacity of approximately 150 tons per day (“TPD”). The plant is located in the region of Arequipa, the most active region of Peru for small scale gold mining. The mill is currently operating with a start-up throughput of approximately 30 TPD. The Company plans to ramp production and throughput up to its built capacity while at the same time making application for commercial permits to incrementally increase capacity up to 350 TPD from the currently permitted 180 TPD.

Photos of the Mollehuaca Plant and the Eladium Mine as well as additional information is available on the Company’s website: <http://www.montanmining.ca>

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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 businesses from Goldsmith; that we will get up to 90 tpd of feed for processing from Intigold; that the stockpile of feed for processing is expected to be 9 g/t Au; that Mina Calpa mill feed is expected to contribute an estimated net monthly revenue of USD \$220,000 to CPM; that the Intigold agreement will provide a base load of mineral feed to the Mollehuaca Processing Plant without the requirement of upfront capital to purchase material; that this amount will cover all Montan's operating costs in its Peruvian operations; that the first shipment of material is expected August 7, 2015; and that there is additional feed that we may re-treat. 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; Intigold's feed may not materialize as expected and the revenues may not be profitable nor cover our costs as expected. 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 and processing 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, the volatile and low market price of commodities and other risks involved in the mineral exploration and development and mineral processing industries. 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.*