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## **MONTAN MINING PROVIDES CORPORATE UPDATE**

**Vancouver, BC, December 18<sup>th</sup>, 2018** – Montan Mining Corp. (TSX-V: MNY | FSE: S5GM | SSE: MNYC) (“**Montan Mining**” or the “**Company**”) is pleased to provide a corporate update on recent activities and important upcoming milestones.

### **Corporate Update**

- Near-Term Milestones
- Greater Las Huaquillas (GLH) Project
- Cerro Dorado Production Strategy
- Corporate Restructuring & Relaunch
- Insider Purchase

### **Overview**

Since mid-2018, the Company has moved to decisively to i) restructure the company, ii) reduce debt, iii) reposition the company to facilitate the restart of Cerro Dorado, whilst iv) pursuing an active new ventures program. With 2018 drawing to a close, the Company is pleased to have been able to recently announce the acquisition of the highly prospective, Greater Las Huaquillas (GLH) project located in Northern Peru. The GLH project provides Montan Mining with a substantial and immediate position in a world-class mineral province within the Andean Copper Belt. As Montan Mining moves to complete the acquisition of the GLH, the team is working to position the Company for breakout transformation in 2019.

### **Near-Term Milestones**

The Company is focused on systematically executing its business plan, by implementing the strategies required to enable the Company to successfully relaunch in January 2019.

#### Key Priorities (indicative dates)

- Embark on a rapid data compilation initiative for the broader GLH project (immediate)
- Complete Acquisition of the Core Las Huaquillas interest (mid Jan 2019)
- Showcase the broader GLH opportunity to industry (Feb – Mar 2019)
- Finalise optimal Cerro Dorado ore supply strategy (late Jan 2019)
- Final investment decision to restart production at Cerro Dorado (Feb 2019)

### **Greater Las Huaquillas (GLH) Project**

#### Mineral Prospectivity

Montan Mining is in the process of compiling extensive historical datasets in relation to the GLH project, including data relating to historical drilling and resource appraisal studies.

In June 1998, the previous operator<sup>1</sup> of the Las Huaquillas project reported a historic geological resource for the Los Socavones Zone of **6.57 million tonnes grading 2.08 g/t Au and 25.2 g/t Ag** (at 1 g/t cut-off) for 443,000 ounces of gold and 5,300,000 ounces of silver, estimated over a 500m strike length segment of a 2.2km long gold-bearing structure. Historical resource appraisal encountered shallow mineralisation in a number of drill holes. Drill hole LH97-08 drilled by Sulliden, intercepted 78 metres at 2.7g/t Au from surface, highlighting the potential for low-cost open-pit mining operations.

Following a detailed review of the project, in March 2012, a subsequent publicly listed operator<sup>2</sup> published a report indicating that the, “*Los Socavones zone alone might be able to demonstrate the potential for between 0.6 million and 4.0 million gold and gold equivalent silver ounces through future drilling, based on its historic resource estimate and assumed dip and strike length extensions within the current concession boundary.*” The report went on to outline a data table with reference to a base case of 1.4 million ounces of gold and 17.2 million ounces of silver.

***Disclaimer: A qualified person has not done sufficient work to classify the historic estimates as current mineral resources or mineral reserves; and Montan Mining is not treating the historic estimates as current mineral resources or mineral reserves. Refer to the Disclaimer & Forward Looking Statements section of this News Release.***

Whilst these resource studies are historical in nature (non NI 43-101 compliant), they provide the Company with confidence that the GLH represents a very large mineralised system, with numerous opportunities to potentially delineate a significant mineral resource. In addition to the precious metal endowment of the GLH, preliminary reviews of historical studies by past operators as well as the Geological, Mining and Metallurgical Institute of Peru (INGEMMET<sup>3</sup>) by Montan Mining, have also identified significant base metal prospectivity. An historical report by INGEMMET outlining encouraging metallurgical recoveries for gold and silver from samples sourced from the Los Socavones Zone, also highlights the potential to produce a zinc concentrate, from broad zones of zinc mineralisation with reported grades as high as 2-3% Zn.

In addition to the Los Socavones epithermal gold zone and associated base metal prospectivity, historic drilling outside the Los Socavones Zone also identified two potentially large porphyry copper-gold zones, Cementerio and San Antonio. These targets are well defined by geophysics, and are coincident with geochemical and geological features similar to known world-class porphyry deposits (refer presentation online, at [www.montanmining.ca](http://www.montanmining.ca) ). Although historical exploration of these targets has confirmed the presence of copper-gold mineralisation, these targets have not been sufficiently appraised to have allowed the preparation of resource estimates by prior operators.

### Concession Consolidation

In order to ensure Montan Mining has captured the highest priority project areas of this highly prospective region, the Company has rapidly embarked on a strategic concession acquisition program, which has to date more than doubled the GLH project area to 7,400 Ha, with more than half this area (3,800Ha) already under Montan Mining’s 100% control (refer Company News Release of December 13<sup>th</sup>, 2018)

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<sup>1</sup> Annual Report (1997-98), Sulliden Exploration Inc, 23 June, 1998.

<sup>2</sup> Strategic Review and Business Analysis, Inca One Resources Corp, 9 March 2012.

<sup>3</sup> Pre-Evaluation of the Technoeconomic Potential of the Epithermal Gold Resource at Las Huaquillas, INGEMMET, 31 January 1999.

## Geoscientific Model

In addition to compiling the historical datasets in relation to the GLH project, the Company is currently in discussions with several leading geoscience service providers to determine the most efficient and effective data capture and integration strategy. Montan Mining is committed to adopting industry best practice in the generation and custody of geoscientific data, in order to be able to best assess the prospectivity of the project and to secure the confidence of prospective partners.

## Transaction Completion

As announced on 6 December 2018, Montan Mining's acquisition of the core Las Huaquillas project is subject to customary conditions that are typical of transactions of this nature, including TSX Venture Exchange approval. The Company plans to submit an Expedited Acquisition Filing Form to the TSX-V Exchange for approval before the end of 2018. The Company expects to be in a position to secure the requisite approvals and complete the transaction in January 2019.

## Industry Showcase

Given the extent of historical exploration and the scale of the opportunities identified at the GLH project, upon completion of the acquisition, Montan Mining intends to showcase the project at upcoming industry events, predominantly in North America and Europe.

## **Cerro Dorado Production Strategy**

The Company is investigating various feedstock supply strategies to support the timely restart of the Cerro Dorado plant. As the owner of the only permitted mill in the Atico Valley, Montan Mining is well placed to lead the acquisition and integration of substantial regional resources that are otherwise challenged or are economically stranded on a stand-alone basis, commonly owing to lack of scale or distance from appropriate milling infrastructure. The Company is currently evaluating several strategic opportunities that have the potential to deliver the Cerro Dorado plant a stable supply of high-margin feedstock. Following the recently completed review of the Cerro Dorado plant by Ausenco, the Company remains focused on commissioning Cerro Dorado in a manner which maximises returns for the Company. Subject to finalising an appropriate feedstock supply agreement (currently in negotiations) and securing sufficient working-capital, the Company expects to be in a position to commence pre-production capital works at Cerro Dorado in February 2019.

## **Corporate Restructuring & Relaunch**

Following a comprehensive strategic review of the Company led by Lions Bay Capital in mid-2018, the Montan Mining board embarked on an initiative to restructure the company by consolidating, restructuring and repaying historical debts associated with the acquisition of the Cerro Dorado project. The board is pleased to advise this process is approaching completion.

With the planned acquisition of the flagship Greater Las Huaquillas project, as the Company embarks on its next stage of growth, the board has resolved to rename and rebrand the Company to reflect the transformation of the Company, before a series of investor roadshows commencing in late January 2019.

## **Insider Purchase**

The Board also wishes to disclose that Mr. Bahay Ozcakmak, a director of the Company and the representative for Lions Bay Capital within Montan Mining, has actively acquired shares of Montan Mining in the open market subsequent to the December 13<sup>th</sup> news release. The market will be informed of additional purchases in a timely manner.

## **Comment from the CEO**

*“The team at Montan Mining are excited about the next stage of our journey. The plans we have include producing gold in H1 2019 whilst seeking to unlock value from GLH, a world-class appraisal stage project, provide Montan Mining with an impressive near-term growth profile. The prospect of being both a near-term gold producer and of working with partners to appraise a project the scale of Greater Las Huaquillas reflects the amazing opportunities we have been able to assemble in a relatively short period of time. As we relaunch the Company in January 2019 and our growth plans unfold, we are optimistic the market will recognise the substantial intrinsic value embedded in Montan Mining, hopefully resulting in our rerating more in line with the valuations of our larger peers.*

*We thank you for your support during 2018 and look forward to providing substantial near-term news-flow as we head into what we expect to be a transformative year for Montan Mining.”* said Ian Graham, CEO of Montan Mining.

## **About Montan Mining Corp.**

Montan Mining Corp. is an emerging gold producer focusing on unlocking value from advanced stage 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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***Disclaimer & Forward Looking Statements:*** This news release contains forward-looking statements. Forward-looking statements are statements that relate to future events or future financial performance. In some cases,

you can identify forward-looking statements by the use of terminology such as “may”, “should”, “intend”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “project”, “predict”, “potential”, or “continue” or the negative of these terms or other comparable terminology. These statements speak only as of the date of this news release. This news release may also contain inferences to future oriented financial information (“FOFI”) within the meaning of applicable securities laws. The information in this news release has been prepared by our management to provide a context for the project acquisition and to provide the reader with an outlook for our future activities and anticipated key projects and may not be appropriate for other purposes. Forward-looking statements or inferences in this announcement include, (but are not limited to), i) that we will successfully start-up Montan Mining’s Cerro Dorado plant, and that ii) we will be granted mineral concessions resulting for our proper and paid mineral concession applications, and that iii) we will be able to successfully appraise the Greater Las Huaquillas project. The Cerro Dorado S.A.C. 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 an 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 and commodity 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 factors, though considered, 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. This announcement is not, and under no circumstances is to be construed as, a solicitation or an offer of any kind. The matters set forth in this announcement does not constitute an agreement or offer that may be accepted. Accordingly, no person may bring a claim or action against another for a failure to negotiate, agree or enter into any agreement with respect to matters contained in the announcement. The technical information in this announcement relating to the Greater Las Huaquillas project has been derived from: NI 43-101 Technical Report (the “Technical Report”) on the Las Huaquillas Au, Ag, Cu Property, Cajamarca, Peru (15 August 2011) prepared by Luc Pigeon, P.Geo., of Gateway Solutions SAC, a Qualified Person under NI 43-101. Montan Mining has not sought any form of consent from either the Qualified Person, or the Issuer which commissioned the Technical Report, but rather references this Technical Report in an historical context as the report was originally submitted for exchange approval on 15 August 2011. It should be noted that there has not been sufficient drilling and/or sufficient previous exploration at Las Huaquillas upon which to base a mineral resource or mineral reserve estimate compliant with the current standards of National Instrument 43-101, and Montan Mining has not undertaken any independent verification of the data contained in that report by a Qualified Person or Persons acting for Montan Mining. There has been no additional or independent verification site visits, sampling or analytical work undertaken by Montan Mining with respect to the Las Huaquillas property. Montan Mining has relied entirely upon historic disclosure relating to the Las Huaquillas project in preparing this news release.