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**MONTAN MINING SIGNS BINDING LOI TO ACQUIRE CERRO DORADO AND CLOSSES FIRST TRANCHE OF NON-BROKERED PRIVATE PLACEMENT FOR \$408,500**

- **MONTAN MINING SIGNS BINDING LOI TO ACQUIRE CERRO DORADO S.A.C IN PERU.**
- **MONTAN MINING CLOSSES FIRST TRANCHE OF NON-BROKERED PRIVATE PLACEMENT FOR GROSS PROCEEDS OF \$408,500.**

**Vancouver, BC, November 1, 2016** – Montan Mining Corp. (TSXv: MNY | FSE: S5GM | SSE: MNYC) (“**Montan**” or the “**Company**”) is pleased to announce that further to its news releases dated July 14, 2016 and August 23, 2016 it has signed a Binding Letter of Intent (“**BLOI**”) with Chazel Capital Inc. (“**Chazel**”) to acquire 100% of Cerro Dorado S.A.C. (“**Cerro Dorado**”). The transaction (“**Transaction**”) is expected to close by November 30, 2016.

Cerro Dorado holds an option and permits to operate the Rey Salomon gold mine with 2km of underground development, 32 identified veins, and a 60 tonnes per day carbon-in-pulp processing plant 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 department of Arequipa, province of Caravelí, Peru.

“In progressing toward this binding agreement Montan is advancing due diligence and technical report preparation. The Company is satisfied it is on track to complete the acquisition and commence cash flowing operations in Q1 2016,” stated Ian Graham, Chief Executive Officer.

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**”). The Montan Shares will be issued to Chazel at Closing pursuant to available exemptions from applicable prospectus requirements pursuant to National Instrument 45-106 or otherwise under the *Securities Act* (British Columbia) and any other applicable legislation, and will be subject to a four (4) month hold period in Canada. Without limiting the foregoing, the Montan Shares will be subject to escrow with 2,000,000 Montan Shares released on every three (3) month anniversary of Closing.

Subject to approval of the TSX Venture Exchange (“TSX-V”), 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 share amounts above are subject to adjustment for stock splits, stock consolidations recapitalizations and other corporate transactions affecting the capital structure of Montan, excluding equity financing activities, completed by Montan prior to Closing and following the date of the BLOI. Upon Closing, Cerro Dorado will become a wholly owned subsidiary of Montan. Chazel has agreed to grant Montan the exclusive right to pursue the Transaction or any other transaction similar to the Transaction contemplated in the LOI until Closing.

It is initially contemplated that the Transaction will be structured as a share exchange. Both parties will mutually agree on the final structure for proceeding with the Transaction following completion of due diligence and a review of tax, accounting, corporate and securities law issues.

Furthermore, Montan is pleased to announce that it has closed the first tranche of the non-brokered private placement announced on October 19, 2016. The Company issued 8,170,000 units at \$0.05 for total gross proceeds of \$408,500. 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.

On behalf of the Board of Montan.

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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 the acquisition of an operational gold mine and operation ready CIP gold processing plant in the southern Peruvian mining district of Caraveli under a a Term Sheet with Chazel Capital Inc. (“Chazel”) for the purchase of the Peruvian Company Cerro Dorado S.A.C. (“CD”) from Chazel. Montan will acquire 100% of CD in an all-share deal with Chazel, (refer to News Release dated July 14, 2016) under improved underlying option conditions (refer to News Release dated August 23, 2016). Montan assumed operating expenses and commenced due diligence on July 25, 2016 (refer to News Release dated July 26, 2016).

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 reference to releases of July 14<sup>th</sup>, July 26<sup>th</sup> and August 23<sup>rd</sup> announcing that Montan will acquire the Peruvian Cerro Dorado mine from Chazel Capital; these releases state that we can rapidly finance to free cash flow and become a producing miner; and the implied outlook that this transaction 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 complete the announced financing, or 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 NI 43-101 compliant 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. The Company is instituting a significant sampling program to try to mitigate these risks; however, these data will not lead to a compliant resource and economic study. General risks inherent in the Project 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.