

- -New Share Purchase Agreement between Cerro Dorado S.A.C. and underlying Property Owners substantially reduces acquisition cost of 100% rights and title to the Rey Salomon mine for Montan

- -New agreement represents an approximate 50% reduction in total payments for the purchase of the Rey Salomon mine and removes a 4% NSR Royalty¹

Vancouver, BC / TheNewswire / August 23rd, 2016 - [Montan Mining Corp.](#) (TSXv: MNY | FSE: S5GM | SSE: MNYC) ("Montan" or the "Company") is pleased to announce that the Company has secured significantly improved terms between Cerro Dorado S.A.C. ("CD") and the underlying holders of the mineral title at the Rey Salomon gold mine that Montan is progressing to acquire from Chazel Capital Inc. (refer NR of July 14th, 2016). Minera Ofir S.A. ("Ofir"), the title holders, have in a Binding Indicative Term Sheet ("Term Sheet") agreed to expire their existing Option Agreement (of 2012) and Mining Lease Agreement (of 2014) on the Rey Salomon mine project (the "Project") in favour of a new Share Purchase Agreement wherein CD will purchase 100% of the outstanding shares of Ofir. Upon closing of the agreement between Chazel Capital Inc ("Chazel") and Montan for the purchase of CD by Montan, and subject to initialization of the Share Purchase Agreement (January 25th, 2017) and expiry of the Option and Mining Lease Agreements (January 31st, 2017), Montan will have 100% effective ownership of the Rey Salomon mine with no residual royalties.

The new Share Purchase Agreement requires that CD pays the shareholders of Ofir \$453,968 USD in 24 payments over 2 years commencing on January 25th, 2017, and to pay interest on the outstanding balance monthly, at a 5% annual rate of interest. Shareholders of Ofir will hold no residual royalties or operating interest in the Rey Salomon project from January 31st, 2017, providing however that until the \$453,968 payments complete, a mortgage over the the property will comprise security against payment. CD is entitled to accelerate payments at any time to complete the purchase and release security against the property.

The previous Option Agreement between CD and Ofir required an outstanding \$420,000 USD in payments to complete the purchase of the assets of Ofir and additionally required a \$900,000 USD payment (due by August 31st, 2016) to buy down a 4% NSR Royalty on mine production from Ray Salomon. The Option Agreement further required a \$25,000 USD per month combined option payment and mining lease payment. This payment has been replaced by a \$12,500 USD per month lease payment to be made until the purchase of Ofir by CD in January 2017. As announced on July 26th, Montan has assumed lease payments: all payments by Montan will be at \$12,500USD.

"This new agreement between Minera Ofir S.A. and Cerro Dorado S.A.C. represents a substantial improvement in terms on the underlying agreement that Montan is purchasing. Not only are the total payments reduced substantially, but they are also spread out in such a way that monthly commitments are far less onerous. Perhaps most importantly we are now no longer required to find the capital to buy down the NSR, and will be left with outright and unburdened ownership of the Rey Salomon project," stated Brandon Macdonald, Montan's CFO.

"The alignment of CD, Ofir, Chazel and Montan in rapidly reaching a new structure for enabling production toward positive marginal cash flow at Rey Salomon is strong affirmation that our ongoing due diligence and determination to acquire CD is warranted and supported by all parties to the transaction", stated Luis Zapata, Montan's Executive Chairman.

On behalf of the Board of Montan.

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About Montan Mining Corp.

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. The Company is engaged in the acquisition of an operational gold mine and operation ready CIP gold plant in the southern Peruvian mining district of Caraveli under a a Term Sheet with Chazel Capital Inc. ("Chazel") for the purchase, by Montan, 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 the News Release of 14th July, 2016) and assumption of operating expenses during a period of continued due diligence that

commenced on on July 25th, 2016 (refer News Release of July 26th, 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 14th and July 26th announcing that Montan will acquire the Peruvian Cerro Dorado mine from Chazel Capital; these release state that we can rapidly finance to free cash flow and become a producing miner before year-end; and the implied outlook that this transaction can be a springboard for growth and create shareholder value. New forward looking statements in this release are that we will make certain payment to secure the acquisition of CD, and that certain Agreements will be completed and closed. 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.

1 Net Smelter Return Royalty

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