Mammoth Resources Provides Update on Activities at Its Tenoriba Gold Property, Mexico

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TORONTO, Dec. 06, 2019 - Mammoth Resources Corp. (TSX-V: MTH), (the “Company”, or “Mammoth”) would like to provide an update on exploration activities at its Tenoriba precious metal, gold-silver property located in the prolific Sierra Madre precious metal belt in southwestern Chihuahua State, Mexico.

Mammoth announced on December 20, 2018, that it and Centerra Gold Inc. (Centerra) had reached an agreement to option Mammoth’s Tenoriba property to Centerra whereby Centerra acting as Operator of the property can earn up to a 70% interest in the Tenoriba property upon total project expenditures of US$9.9 million (C$12.0 million) and payments to Mammoth of US$900,000 (C$1.2 million) to be expended over a maximum seven-year period, expenditure amounts which can be accelerated depending on exploration success. During the option earn-in period, Centerra will act as operator and be responsible for developing and performing exploration programs.

On February 26, 2019 Mammoth provided an update press release on early activities at the property in which it described how Mammoth and Centerra personnel met at Centerra’s office in Mexico in late January 2019 to plan and set a budget for the upcoming exploration program. In early February Mammoth and Centerra exploration team members kicked off activities at Tenoriba arriving onsite with its exploration team, including Centerra geologists and consulting geologists to Centerra with specific experience and expertise in High Sulphidation (HS) systems. From February through the end of April various logistical and geological support and exploration activities took place on the property while from March through early June and then recommencing in late October Centerra was engaged in community relations activities to secure new surface access agreements with two communities (“ejidos”) upon which the Tenoriba property resides.

Thomas Atkins, President and CEO of Mammoth commented on activities at Tenoriba, stating: *“It’s likely been a frustrating time for Mammoth shareholders the past months there being no news on activities at the Tenoriba property. This lack of news was a result of ongoing community consultation activities between Centerra and primarily one of two ejidos that oversee surface access to the property, including Centerra’s four-month absence from mid-June until mid-October the area when it became apparent that the lack of a surface access agreement, combined with the rainy season in the area, would restrict its planned exploration program. In early August, the one ejido from which a small number of community members had concerns, having performed some of its own due diligence and no doubt as a result of Centerra’s earlier community consultation efforts and Mammoth’s history in the area, gained enhanced comfort on the possible benefits of mineral exploration to the community and region and an improved understanding of how environmental disturbances can be managed and mitigated to reduce the impact on their community controlled land. Members of this one ejido met in early August with concerned citizens from a community closest to the property who were strongly in support of the project and then later, in early September voted in favour of granting surface access to Centerra. Centerra returned to the area in mid-October to renew its consultation efforts with the objective of formalizing surface access agreements with both of the two ejidos and the re-initiation of exploration activities on the property as soon as possible. Two additional meetings are scheduled this year to advance this process with the two ejidos.”*

Logistical and Geological Support Activities:

- Local field accommodations, banking, core/sample transport, local sourcing of various consumables and field supplies were established and all historic geological data was loaded into composite geological data sections for Centerra’s review and interpretation, orthophoto imagery and contoured topography of the property and surrounding areas was completed and a three dimensional model of the downhole drill data and surface data was begun.
- An environmental consulting firm was contacted to conclude Mammoth’s previous drill permit and begin the process of applying for a new drill permit to build drill access roads and drill pads prior to any additional drilling.
- Restoration and expansion of the onsite core shed was completed and maintenance of the property access road began.

Geological Activities:

- Detailed diamond drill core review, initial field confirmation mapping and sampling focused on tracing structures and alteration with rock chip samples collected for identification of alteration clay minerals in an attempt to assist in interpreting the alteration facies and controls to mineralization on the property.
- Geophysical data was reinterpreted with the inclusion of all surface data, including drawing/interpreting geophysical sections from the raw geophysical data at angles (north-easterly oriented sections from north-south performed survey lines-sections) to the original sections.
- Drill core from numerous holes from the historic drilling were relogged with particular attention to the locations and orientation of structures within the path of the hole as a means to locate and orient control structures to mineralization observed on surface.
- Assay of the non-assayed sections of the historic drill core and assay of the two final holes drilled on-site.

Summary of Initial Observations:

- Much of the gold mineralization on the property is associated with approximately 4 to 6 kilometres of east, north-easterly striking advanced argillic, argillic and occasionally vuggy silica altered volcanic and volcanic breccias with local associations of north-westerly and north-easterly oriented control structures to gold mineralization.
- Centerra’s re-processing of the geophysics cross sections and creation of various north-easterly oriented long sections identified associations between geophysical resistive lows and drilled gold intercepts. The targets revealed in the resistivity geophysical sections indicate there are much larger potential untested, buried targets than those previously drill tested. Centerra planned to cross verify and expand with its field mapping results, a planned 30 kilometres of new geophysical lines oriented in a northeast direction to cover approximately 3 kilometres of the up to 6-kilometre strike length of gold mineralized and hydrothermally altered rocks mapped and sampled on the property by Mammoth.
- A large, seven-element geochemical anomaly was noted by Centerra in the soil sampling in the eastern portion of the property area. The upper and central elevations of this anomaly contain abundant low temperature elements while the lower elevations begin to expose gold. Centerra geologists believe the observed zonation among these elements may imply there is potential for more gold below the barren quartz cap and that this anomaly is larger in comparison to some of the other shallow anomalies with gold intercepts present in the previously drilled areas on the property. A second anomaly to the north of this area outcrops from beneath the post-mineral volcanic cover at the edge of the soil sample grid. Geophysics has not covered either of these areas to date and Centerra believes these areas are good geophysics target areas.
- A plot of Terraspec alteration clay facies sampled on the property produces a map showing similar features to that of a typical High Sulphidation model including zonation of clay alteration minerals a product of the intrusion of potentially, and in many cases sampled, precious metal bearing high temperature hydrothermal solutions at the time of deposition of precious metal mineralization.

Community Consultation:

Field activities generally advanced as intended to the end of April when Mammoth’s previous two-year surface access agreements concluded with the two ejidos that oversee surface access upon which the Tenoriba property resides. Centerra successfully secured the support of one of the two ejidos for a new surface access agreement (the agreement remains to be finalized), however a small number of community members of the second of the two ejidos had concerns regarding the impact and disturbances associated with exploration activities. A number of community consultation meetings were held with members of this ejido during Centerra’s field rotations into the area commencing mid March through mid June, however Centerra was unable to reach an agreement with this one ejido. In late July with the arrival of the rainy season in the region, Centerra elected to curtail field activities as the heavy rain during this period would challenge their performing planned exploration activities. Although absent from the area Centerra attempted to maintained contact with the executives of the two ejidos. In Centerra’s absence, it’s understood that ejido community members of this one, as yet confirmed surface access ejido, met in early August and it was noted from this meeting that the ejido was in favour of Centerra returning to formalize a surface access agreement. It’s further reported that during an ejido meeting held in early September, where more than 100 voting ejido members were in attendance, a vote was taken on allowing mineral exploration on portions of the ejido territory occupied by the Tenoriba property with all but two members in attendance voting in favour. Although this vote wasn’t binding and no agreement was at that time confirmed, it appears a positive step in this process. It’s worth noting that it required six months of community consultation for Mammoth to arrive at its first two-year agreement for surface access at Tenoriba and then in 2017 it required four months of consultation efforts to arrive at its second two-year surface access agreement with this same ejido. In late October Centerra personnel returned to the Tenoriba area and recommenced community consultation activities with the objective of arriving at surface access agreements with both ejidos. Additional meetings between Centerra and the two ejidos are scheduled in December with the objective of Centerra advancing surface access agreements with the two ejidos governing surface access on the Tenoriba property. Despite some positive indications, there are no assurances at this time that surface access agreements will be finalized on terms acceptable to all parties and in a timely manner.

Mammoth Seeking Additional Exploration Properties:

In addition to Mammoth working with Centerra attempting to advance community consultation efforts to secure surface access at Tenoriba, company management has also been engaging with numerous individuals and companies in search of additional exploration stage precious metal properties located in Mexico and in southwestern United States. Although no guarantees can be made regarding securing additional properties, management remains optimistic it can arrive at terms with these entities to option additional attractive precious metal exploration opportunities in the future.

To find out more about Mammoth Resources and to sign up to receive future press releases, please visit the company's website at: www.mammothresources.ca., or contact Thomas Atkins, President and CEO at: 416 509-4326.

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