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MONTAN MINING INITIATES CERRO DORADO OPTION, MOBILIZES TECHNICAL DUE DILIGENCE TEAM AND PROVIDES CORPORATE UPDATE

- **Initial payment to Cerro Dorado SAC has been made.**
- **Board and Management lock up shares under Pooling Agreement.**
- **Technical due diligence team mobilized: underground sampling program to begin this week.**

Vancouver, BC, July 26th, 2016 – Montan Mining Corp. (TSXv: MNY | FSE: S5GM | SSE: MNYC) (“Montan” or the “Company”) is pleased to provide a corporate update further to its agreement to acquire Cerro Dorado S.A.C. from Chazel Capital, as announced on July 14th, 2016.

As per terms of the Agreement, Montan agreed to assume all costs to maintain the Rey Salomon mine option and all expenses to maintain Cerro Dorado SAC (“CD”) starting from July 25th, 2016 until termination of the Agreement or closing of the transaction. Montan reports that the Company has transferred funds for the lease payment due in July to Cerro Dorado SAC, as well as additional funds to cover agreed expenses arising in the near term. This satisfies the immediate commitments of Montan to CD.

Pooling Agreement

The Board and Management of Montan is also pleased to announce that they have individually and collectively signed a Pooling Agreement, subject to which the Pooled Shareholders have agreed to place in a pool all of the Common shares of the Company owned beneficially by them, together with any warrants held by them and such shares acquired by them pursuant to the exercise of any stock options held by them (altogether, the Common Shares). The Pooling Agreement will remain in force until certain documents (set out in Section 5.6(d) of TSX Venture Exchange Policy 5.3) have been submitted to the Exchange prior to the completion of

the due diligence study on CD. These documents include, among others, the audited financials of CD. The Pooled Shareholders have undertaken to the Exchange that they will not, without written Exchange approval, trade or transfer (in any manner) legal and beneficial ownership of any of the Common Shares until the documents referenced previously have been submitted to the Exchange.

Due Diligence Update & Mobilization

Since signing of the Agreement to acquire Cerro Dorado, the due diligence undertaken by Montan has initially focused on the status of permits. The company is pleased to report that an explosives permit and a water permit allowing for the extraction of 100m³ of water per day, are issued to Minera OFIR (underlying owner of the Rey Salomon mine): and that surface rights permits are held by Cerro Dorado.

The company is also pleased to report that on-site project due diligence will commence at Rey Salomon within a week of this Release, as the Montan technical due diligence team departs Vancouver on Tuesday July 26th to complement the Montan team already engaged in due diligence in Peru. A key aspect of Montan's due diligence plan is an extensive underground sampling program, results of which will be made public on its completion.

“Due diligence has already verified the existence of some of the essential permits required for mining operations, including surface rights and the rights to on-site well water. We are mobilizing to expedite all aspects of due diligence and will be undertaking a substantial underground sampling program to confirm historic mine results and underpin future mine planning ” stated Mr. Ian Graham, Chief Executive Officer of Montan.

Closing of the CD transaction with Chazel Capital remains conditional upon TSX Venture Exchange approval.

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.

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.

For more information, please visit the corporate website at <http://www.montanmining.ca> or

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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 a release of July 14th announcing that Montan will acquire the Peruvian Cerro Dorado mine from Chazel Capital; that release states 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 commence site due diligence and sampling this week. 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.

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. 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.