



Exchange Tower
410 - 150 York Street
Toronto, Ontario
M5H 3S5 Canada

www.mammothresources.ca

MAMMOTH RESOURCES CORP.

FOR IMMEDIATE RELEASE: December 21, 2018

No. 09/18

MAMMOTH ENTERS OPTION AGREEMENT WITH CENTERRA GOLD ON ITS TENORIBA PRECIOUS METAL PROPERTY, MEXICO

Toronto, Canada (December 21, 2018) - Mammoth Resources Corp. (TSX-V: MTH), (the “Company”, or “Mammoth”) is pleased to announce the signing of an option agreement with Centerra Gold Inc. (“Centerra”) to option Mammoth’s Tenoriba precious metal property located in the prolific Sierra Madre precious metal belt in southwestern Chihuahua State, Mexico. Centerra has the option to earn up to a 70% interest in Tenoriba upon total project expenditures of US\$9.0 million over a seven-year period, expenditure amounts which can be accelerated depending on exploration success.

Thomas Atkins, President and CEO of Mammoth commented on the signing of this agreement, stating: *“We’re exceptionally pleased to be partnering with Centerra in the exploration-development of Tenoriba. The depth of Centerra’s technical experience in these types of mineral systems, their experience in project exploration and mine development, combined with their financial strength and the economies in costs and services a company of Centerra’s strength and size can achieve have the potential to assist in advancing Tenoriba beyond what Mammoth could achieve on its own. The option agreement ensures robust exploration expenditures over a reasonable time frame, amounts which can be accelerated depending on the level of success, and which enables Mammoth shareholders to retain a 30 percent interest in the project upon Centerra having fulfilled its total US\$9.0 million expenditure obligation.*

“We’re excited for the new year and the advancement of exploration activities with Centerra, following up on the successes of the 2018 and 2007 drill programs at Tenoriba which together totalled 28 drill holes in various locations along an approximate 4 kilometre strike length which remains open to the east and west. Drilling intersected potentially economical grades in the majority of these holes with many intersections occurring over tens of metres.”

Details on the terms of the option agreement include a committed minimum US\$500,000 in project exploration Expenditures (all exploration costs, property taxes, surface rights and administrative fees) over the first twelve-month period from the Effective Date of signing this option agreement and which over the four-year term of the first option include total Expenditures of US\$5,000,000 upon which having completed such Expenditures, Centerra will earn a 51% interest in the property. The schedule of Expenditures are as follows:

- I. On or before the first anniversary of the Effective Date, Expenditures in the aggregate are no less than \$500,000;
- II. On or before the second anniversary of the Effective Date, Expenditures when aggregated are no less than \$1,500,000;
- III. On or before the third anniversary of the Effective Date, Expenditures when aggregated are no less than \$3,000,000; and
- IV. On or before the fourth anniversary of the Effective Date, Expenditures when aggregated are no less than 5,000,000;

Centerra having earned this initial 51% interest has a second option entitlement to earn an additional 19% of the ownership interests in the Tenoriba property by performing the following within the three-year period following initiation of this second option:

- I. Incurring additional Expenditures on Tenoriba in the aggregate amount of US\$4,000,000 and completing a preliminary economic assessment level study on Tenoriba which identifies a mineral resource which is compliant with National Instrument 43-101; and
- II. Upon having completed the additional Expenditures under the second option, make cash payments of US\$550,000 to Mammoth, or at Centerra's option issue to Mammoth Centerra common shares totalling US\$550,000 (in the event that common shares are issued, the five-day volume weight trading price of a Centerra common share on the Toronto Stock Exchange immediately prior the date of issuance will be used to determine the number of shares to be issued, any Centerra common shares issued subject to a hold period during which shares cannot be sold, as required by the Ontario Securities Act).

In the event either party selects not to fund its respective interest going forward such non-participating party may be diluted to a 10 percent interest whereupon such interest would revert to a two percent NSR, of which one percent can be purchased for US\$1.0 million and the non-diluted party has a right of first refusal on the sale of the remaining one percent NSR interest.

During the term of this option agreement, and until Centerra's interest drops below a 50 percent interest (following its having earned the initial 51 percent interest), Centerra will be the project operator. As project operator Centerra will submit program activities and budgets to Mammoth for review and input prior to approval. Centerra will be eligible to receive a management fee equal to 5% of invoiced drilling and certain other high cost Expenditure activities (any single activity that exceeds \$50,000) or otherwise receive a 10% management fee on all other Expenditures.

Mammoth would like to take this opportunity to correct a statement made in a press release dated December 6, 2018. In this press release it was stated that Mammoth requested approval to issue 2,414,000 common shares of Mammoth at a deemed issuance price of \$0.05/share to settle amounts owed two third party creditors. The Company would like to correct this statement to read that it has requested approval to issue 1,535,600 shares of the Company at a deemed issuance price of \$0.05/share to these creditors. The issuance of these shares remain subject to TSX Venture Exchange approval.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information: This news release may contain or refer to forward-looking information. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be placed on these forward-looking statements due to the inherent uncertainty therein. Please refer to the Company's website at the following link: <http://www.mammothresources.ca/s/FAQ.asp> to review the Company's complete forward looking statement.