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NEWS RELEASE

Surge Exploration Enters into Formal Definitive Option Agreement to Acquire the Atacama Cobalto Project in the Atacama Region of Chile

Vancouver, BC – December 12, 2018 – Surge Exploration Inc. (the "Company" or "Surge") (TSXV: SUR, OTCQB: SURJF, FRA: DJ5C) is pleased to announce that further to its news releases dated November 6, 2018 and July 24, 2018, the Company has entered into a formal binding Definitive Agreement (the "Definitive Agreement") with Compañía Minera del Pacífico S.A. ("CAP Minería") dated December 7, 2018, for an option to acquire up to 70% of the Atacama Cobalto Project in the prolific Atacama Region in Northern Chile.

Tim Fernback, Surge President & CEO, said: "Surge Exploration is excited to finalize this Definitive Agreement with CAP Minería and to begin our proposed exploration work plan within this historic IOCG and cobalt rich area of Chile. This advanced exploration property has had over 20,250 meters of diamond drilling and assaying completed in the recent past, so our first step will be to review the past work and propose a detailed drilling program for the upcoming season. We look forward developing the Atacama Cobalto Project for the benefit of our shareholders."

Compañía Minera del Pacífico S.A. owns and operates several iron ore mines such as Los Colorados and Cerro Negro Norte and is a controlled subsidiary of CAP S.A. (<http://www.cap.cl>) a Chilean company founded in 1946. CAP S.A. is publicly traded on the Santiago Stock Exchange (SSE: CAP) with a market capitalization in excess of US\$1.3 billion. CAP S.A.'s principal operations include steel making and steel processing plants, iron ore mines, marine ports, desalination plants, and power transmission lines. In 2017, CAP S.A. reported revenues in excess of US\$1.9 billion and employed over 4,000 people, and CAP Minería reported profits in excess of US\$200 million and employs over 2,000 people in its operations.

Transaction Terms:

The Company and CAP Minería entered into a Definitive Option Agreement (the "Agreement"), subject to TSX Venture Exchange ("Exchange") approval. The Agreement contains three distinct (3) phases ("Phase 1", "Phase 2" and "Phase 3"). The transaction is arm's length pursuant to Exchange policies.

The total purchase price for the Company to acquire 51% of the Mining Rights will be US\$3,000,000 and 1,000,000 common shares of Surge Exploration Inc., in addition to certain work commitments on the property. This will complete the First Phase of the project. The payments of which are as follows:

Cash Payments - \$25,000 to be paid upon signing the Agreement; \$75,000 to be paid upon Exchange approval; \$100,000 to be paid 12 months from Exchange approval; \$200,000 to be paid 24 months from Exchange approval; \$500,000 to be paid 36 months from Exchange approval; and \$2,100,000 to be paid 48 months from Exchange approval.

Share Payments – 400,000 shares to be issued 36 months from Exchange approval and 600,000 shares to be issued 48 months from Exchange approval.

Once Surge fulfills Phase 1, a mining legal partnership will be created between Surge and CAP Minería (the “Newco”), in which the parties will participate with 51% equity in the case of Surge, and 49% equity in the case of CAP Minería.

Within two (2) years of completing Phase 1, the Company may elect to pursue Phase 2, whereby Surge can to acquire an additional 9%, for a total of 60%, of the Newco upon completion of a positive Preliminary Economic Assessment (the “PEA”).

Within two (2) years of completing Phase 2, the Company may elect to pursue Phase 3, whereby Surge can acquire an additional 10%, for a total of 70%, of the Newco upon completion of a positive Pre-Feasibility Study (the “PFS”).

Surge can earn up to 70% ownership based on achieving certain milestones and an ability to acquire the remaining 30% if CAP Minería decides not to contribute in future cash calls. Once Phase 2 is successfully completed by Surge, each party shall contribute on a pro-rata basis or be diluted. In the event that CAP Minería’s interest is diluted below 10%, CAP Minería share will automatically convert to a 2% Net Smelter Return (“NSR”). Throughout the term of the agreement, CAP Minería shall maintain the right to convert its ownership percentage in exchange for a 2% NSR at any time. Upon CAP Minería’s conversion to NSR, Surge shall achieve 100% ownership of the Newco, and therefore, 100% ownership in the Atacama Cobalto Project.

Finder’s fees will be paid in connection with the transaction. The transaction and finder’s fees are subject Exchange approval.

About the Atacama Cobalto Project:

The Atacama Cobalto Project is located in the Atacama Province in northern Chile, 15 km northwest of the town of Copiapó, where mining is the largest economic activity, and the mining industry is one of the region’s major employers. The Atacama Cobalto Project consists of 1,059 hectares and is located only 3 km East of the Cerro Iman Mine. To date, CAP Minería has drilled over 20,250 m on the Atacama Cobalto Project.

The area of interest hosts several other mining companies and is situated near the mylonitic corridor that is part of the Atacama Fault System that hosts many of the IOCG deposits in northern Chile. The Atacama Cobalto Project corresponds to a “cobalt anomalous IOCG” associated with the geographic area.

The Atacama Cobalto Project benefits from access to excellent infrastructure, including port access, energy supply, and access through the Pan American Highway.

About [Surge Exploration Inc.](https://surgeexploration.com/) <https://surgeexploration.com/>

The Company is a Canadian-based mineral exploration company which has been active in the resource sector in British Columbia and elsewhere in Canada. The Company has an exploration office in Santiago, Chile to review mineral exploration opportunities in Chile and elsewhere in South America.

Ontario Cobalt Properties (Cobalt):

The Company has an option to earn an undivided 60% interest in the Glencore Bucke Property and the Teledyne Property, located in Cobalt, Ontario Canada.

Incahuasi Lithium Project (Lithium Brine):

The property is located on the northernmost section of the Incahuasi salar, 75 km southeast from both the town of Tilomonte, Chile and the Salar de Atacama, where mining is the largest economic activity, and the mining industry is one of the region's major employers. The Incahuasi salar is located on the national border between Chile and Argentina at an elevation of 3,260 m. The Incahuasi Lithium Project consists of 10 mineral exploration concessions totalling 2,300 hectares. Bordering this property, in Argentina, is a 9,843 hectare lithium exploration property held by Advantage Lithium (TSXV: AAL OTCQB: AVLIF). The option on this project is subject to TSX-V approval.

Mineral Mountain Property (Copper Gold) British Columbia

As announced on November 28, 2018, Surge has acquired a 100% interest in 9 claim blocks comprising 19,665 hectares (197 sq km) in the Omineca region of north-central British Columbia, approximately 150 km north of Fort St. James. The claims are not subject to any royalty terms, back-in rights, payments or any other agreements and encumbrances. The region is host to numerous operating mines, good infrastructure including experienced exploration and supporting services.

B.C. Minfile assessment report data indicates that most of the area covered by the Omineca Group claim blocks were at one time or another covered by staking during surges of exploration in B.C. dating from the 1940's to present day. Prominent among early discoveries in the Omineca region were the nearby Lustdust/Stardust property (Sun Metals Corp. TSX-V: SUNM) covering a large, coherent integrated porphyry-skarn, epithermal system; the Kwanika property (Serengeti Resources Inc./POSCO Daewoo TSX-V: SIR) a promising advanced stage copper-gold project; the Lorraine property (Lorraine Copper Corp. TSX-V: LLC) host to a large copper/gold NI 43-101 compliant resource. The tenures are located between the Kemess North project being developed by Centerra Gold's subsidiary Aurico Metals and Centerra Gold's operation Mt Milligan mine.

Hedge Hog Property, (Copper Gold) British Columbia

The Company has an option to earn an undivided 60% interest seven mineral tenure covering 2,418 hectares (5,972 acres) located approximately 80 km northeast of the town of Quesnel, BC and 20 km north of the historic gold mining towns of Wells and Barkerville.

On Behalf of the Board of Directors

"Tim Fernback"

Tim Fernback
President & CEO

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This news release may contain forward-looking statements which include, but are not limited to, comments that involve future events and conditions, which are subject to various risks and uncertainties. Except for statements of historical facts, comments that address resource potential, upcoming work programs, geological interpretations, receipt and security of mineral property titles, availability of funds, and others are forward-looking. Forward-looking statements are not guarantees of future performance and actual results may vary materially from those statements. General business conditions are factors that could cause actual results to vary materially from forward-looking statements.