

# **Montana Gold Mining Company Inc.**

## **Condensed Interim Consolidated Financial Statements**

(Expressed in United States Dollars)

**(unaudited)**

**For the Three Months Ended March 31, 2015**

## Management's Responsibility for Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Montana Gold Mining Company Inc. (the "Company" or "Montana") are the responsibility of management.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

**"Edward Ellwood"**  
(signed)

**"Eric Plexman"**  
(signed)

### Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

**Montana Gold Mining Company Inc.**  
**Interim Consolidated Statements of Financial Position**  
(Expressed in United States Dollars)  
**As at**  
(unaudited)

	<b>March 31 2015</b>	<b>December 31 2014</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,101	\$ 44,681
HST receivable	21,838	26,371
Prepaid expenses	1,258	1,258
	<b>24,197</b>	<b>72,310</b>
<b>Mining claims and deferred exploration expenditures (Note 3)</b>	<b>511,210</b>	<b>510,791</b>
<b>Reclamation bonds (Note 4)</b>	<b>15,271</b>	<b>15,271</b>
	<b>\$ 550,678</b>	<b>\$ 598,372</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 5 and 10)	\$ 464,488	\$ 479,327
<b>Foreign currency warrants (Note 8)</b>	<b>166,144</b>	<b>248,787</b>
	<b>630,632</b>	<b>728,114</b>
<b>Shareholders' Deficiency</b>		
<b>Capital stock (Note 6)</b>	<b>8,135,733</b>	<b>8,135,733</b>
<b>Units to be issued (Note 7)</b>	<b>17,500</b>	<b>-</b>
<b>Contributed surplus</b>	<b>1,606,868</b>	<b>1,606,868</b>
<b>Deficit</b>	<b>(9,840,055)</b>	<b>(9,872,343)</b>
	<b>(79,954)</b>	<b>(129,742)</b>
	<b>\$ 550,678</b>	<b>\$ 598,372</b>

**Montana Gold Mining Company Inc.****Interim Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss)**

(Expressed in United States Dollars)

**For the Three Months Ended March 31,**

(unaudited)

	2015	2014
<b>Expenses</b>		
Office and administrative costs (Note 10)	\$ 75,353	\$ 102,661
Professional fees	8,020	13,868
Stock-based compensation	-	4,356
	<b>83,373</b>	<b>120,885</b>
<b>Other expenses (income)</b>		
Gain on foreign exchange	(33,018)	(19,365)
(Gain) loss on revaluation of foreign currency warrants (Note 8)	(82,643)	126,668
	<b>(115,661)</b>	<b>107,303</b>
<b>Net earnings (loss) and comprehensive earnings (loss)</b>	<b>\$ 32,288</b>	<b>\$ (228,188)</b>

**Earnings (loss) per share (Note 9)**

Basic and diluted	\$ 0.001	\$ (0.006)
-------------------	----------	------------

**Weighted average number of common shares outstanding (Note 9)**

Basic and diluted	46,476,385	37,281,007
-------------------	------------	------------

**Montana Gold Mining Company Inc.**  
**Interim Consolidated Statements of Changes in Equity**  
(Expressed in United States Dollars)  
**As at**  
(unaudited)

	Number of Shares	Capital Stock	Units To Be Issued	Contributed Surplus	Net loss	Total
<b>Balance, December 31, 2013</b>	<b>37,281,007</b>	<b>\$ 7,830,163</b>	<b>\$ -</b>	<b>\$ 1,502,612</b>	<b>\$ (9,523,724)</b>	<b>\$ (190,949)</b>
Net loss and comprehensive loss	-	-	-	-	(228,188)	(228,188)
Units issued for cash	2,000,000	90,044	-	-	-	90,044
Allocated to warrants	-	(43,321)	-	-	-	(43,321)
Stock-based compensation	-	-	-	4,356	-	4,356
<b>Balance, March 31, 2014</b>	<b>39,281,007</b>	<b>7,876,886</b>	<b>-</b>	<b>1,506,968</b>	<b>(9,751,912)</b>	<b>(368,058)</b>
Net loss and comprehensive loss	-	-	-	-	(120,431)	(120,431)
Shares issued to settle debt	2,584,613	153,603	-	-	-	153,603
Units issued for cash	4,610,765	209,292	-	-	-	209,292
Allocated to warrants	-	(104,048)	-	-	-	(104,048)
Stock-based compensation	-	-	-	99,900	-	99,900
<b>Balance, December 31, 2014</b>	<b>46,476,385</b>	<b>8,135,733</b>	<b>-</b>	<b>1,606,868</b>	<b>(9,872,343)</b>	<b>(129,742)</b>
Net loss and comprehensive loss	-	-	-	-	32,288	32,288
Proceeds received for units to be issued (Note 7)	-	-	17,500	-	-	17,500
<b>Balance, March 31, 2015</b>	<b>46,476,385</b>	<b>\$ 8,135,733</b>	<b>\$ 17,500</b>	<b>\$ 1,606,868</b>	<b>\$ (9,840,055)</b>	<b>\$ (79,954)</b>

**Montana Gold Mining Company Inc.**  
**Interim Consolidated Statements of Cash Flows**  
(Expressed in United States Dollars)  
**For the Three Months Ended March 31,**  
(unaudited)

	2015	2014
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net earnings (loss)	\$ 32,288	\$ (228,188)
Items not affecting cash:		
(Gain) loss on revaluation of foreign currency warrants	(82,643)	126,668
Stock-based compensation	-	4,356
	<b>(50,355)</b>	<b>(97,164)</b>
Net changes in non-cash working capital:		
HST receivable	4,533	2,242
Accounts payable and accrued liabilities	(14,839)	(4,278)
	<b>(60,661)</b>	<b>(99,200)</b>
<b>Investing</b>		
Mining claims and deferred exploration expenditures	(419)	(3,903)
<b>Financing</b>		
Proceeds from units to be issued	17,500	-
Proceeds from share issuances, net	-	90,044
<b>Net change in cash during the period</b>	<b>(43,580)</b>	<b>(13,059)</b>
<b>Cash, beginning of period</b>	<b>44,681</b>	<b>17,744</b>
<b>Cash, end of period</b>	<b>\$ 1,101</b>	<b>\$ 4,685</b>

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Montana Gold Mining Company Inc. ("the Company" or "Montana") was incorporated under the Ontario Business Corporations Act on December 21, 2000. The Company has three wholly-owned subsidiary corporations, Montana Gold Subsidiary Corporation, a United States corporation, Celerity Mineral Corporation, a Canadian corporation and Celerity Subsidiary Corporation, a United States corporation.

The Company is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The head office and principal address of the Company is 380 Wellington Street, 6th Floor, London City Centre, Tower B, London, Ontario, N6A 5B5.

While these unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business, there are material uncertainties related to adverse conditions and events that cast significant doubt on the Company's ability to continue as a going concern.

During the period ended March 31, 2015 the Company incurred net earnings of \$32,288 (December 31, 2014 - net loss of \$348,619) and, as of that date, the Company had accumulated a deficit of \$9,840,055 (December 31, 2014 - \$9,872,343), a working capital deficiency of \$440,291 (December 31, 2014 - \$407,017) and negative cash flows from operations of \$60,661 (December 31, 2014 - \$277,107). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

As is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

Recovery of the carrying value of the mining claims and the related deferred exploration expenditures are dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to continue exploration and development, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering agreements with others to explore and develop the properties and upon future profitable production or proceeds from disposition of such properties.

These unaudited condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These unaudited condensed interim consolidated financial statements present the Company's financial results of operations and financial position under IFRS as at and for the three month period ended March 31, 2015. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014, prepared in accordance with IFRS. The accounting policies adopted in these unaudited condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited financial statement for the year ended December 31, 2014. Refer to these audited financial statements for significant accounting policies and future changes in accounting policies which remained unchanged as at March 31, 2015.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on May 29, 2015.

**Basis of Consolidation**

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Celerity Mineral Corporation (Canada), Celerity Subsidiary Corporation (United States) and Montana Gold Subsidiary Corporation (United States). The functional currency and presentation currency of each entity is the United States dollar. The financial statements of the subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

**3. MINING CLAIMS AND DEFERRED EXPLORATION COSTS**

	December 31, 2014	Additions	Write-offs	March 31, 2015
Silver Bell St. Lawrence Claims, MT <sup>(a)</sup>	\$ 428,446	\$ 419	\$ -	\$ 428,865
Golden Trail Claims, NV <sup>(b)</sup>	82,345	-	-	82,345
	<b>\$ 510,791</b>	<b>\$ 419</b>	<b>\$ -</b>	<b>\$ 511,210</b>



**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**3. MINING CLAIMS AND DEFERRED EXPLORATION COSTS (Cont'd)**

	December 31, 2013	Additions	Write-offs	December 31, 2014
Silver Bell St. Lawrence Claims, MT <sup>(a)</sup>	\$ 424,323	\$ 4,123	\$ -	\$ 428,446
Golden Trail Claims, NV <sup>(b)</sup>	66,176	16,169	-	82,345
	<u>\$ 490,499</u>	<u>\$ 20,292</u>	<u>\$ -</u>	<u>\$ 510,791</u>

(a) Silver Bell St. Lawrence

On September 1, 2011 the Company entered into an agreement to acquire a 100% working interest in the Silver Bell St. Lawrence ("SBSL") property consisting of 10 (December 31, 2014 - 10) mining claims by paying \$85,000 on signing and \$85,000 by March 1, 2012, for total consideration of \$170,000, by issuing 200,000 common shares of the Company and granting a 2% Net Smelter Royalty to the arms-length vendor. The Company paid \$85,000 on September 9, 2011 and issued 200,000 common shares on September 15, 2011. The Company paid the last \$85,000 on February 24, 2012. These claims have not yet been transferred to the Company and are being held in trust by the vendor. Currently management is working on transferring the title of these claims to Company.

The Company holds 100% interest in 15 (December 31, 2014 - 15) mining claims adjacent to the northern and eastern boundaries of the SBSL property. These mining claims are called the Roar claims and bring the total size of the SBSL property to approximately 394 acres.

On June 11, 2012, the Company completed an NI43-101 Report on the SBSL Property.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management - BLM Nevada State Office) and the local counties in the cumulative approximate amount of \$155 per claim.

(b) Golden Trail

As at March 31, 2015, the Company holds 100% interest in 16 (December 31, 2014 - 16) contiguous unpatented mining claims in the Elko County region of Nevada totaling approximately 320 acres.

On May 16, 2012, the Company completed an NI43-101 Report on the Golden Trail Property.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management - BLM Nevada State Office) and the local counties in the cumulative approximate amount of \$155 per claim.

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**4. RECLAMATION BONDS**

As at March 31, 2015, a reclamation bond in the amount of \$15,271 (December 31, 2014 - \$15,271) is being held by the BLM on the Golden Trail property. The Company has completed the site restoration work and management estimates that no further site restoration costs need to be incurred on the Golden Trail property. The Company may be liable for additional amounts if the Bureau of Land Management Determines that the site restoration work was deficient and the amount of the bond is not sufficient to cover the cost of the additional work required to fully return the site to its original condition.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The following is a breakdown of the amounts included in accounts payable:

	<b>March 31, 2015</b>	December 31, 2014
Trade payables	\$ 50,654	\$ 47,028
Accrued liabilities:		
Management and director fees	399,069	400,539
Audit and accounting	14,765	31,760
	<b>\$ 464,488</b>	<b>\$ 479,327</b>

**6. CAPITAL STOCK**

Authorized  
    Unlimited common shares  
    Issued and outstanding - common shares

	<b>Number of Shares</b>	<b>Value</b>
<b>Balance, December 31, 2013</b>	<b>37,281,007</b>	<b>\$ 7,830,163</b>
Units issued for cash	6,610,765	299,336
Shares issued to settle debt	2,584,613	153,603
Allocated to warrants	-	(147,369)
<b>Balance, December 31, 2014 and March 31, 2015</b>	<b>46,476,385</b>	<b>\$ 8,135,733</b>

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**7. UNITS TO BE ISSUED**

On February 20, 2015, the Company received proceeds of \$21,919 CDN (\$17,500 USD) for units to be issued with an ascribed value of \$0.05 CDN per unit. Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.10 CDN (Note 14).

**8. STOCK OPTIONS AND WARRANTS**

**(a) Stock Options**

The Company has a Stock Option Plan (the "Plan") to provide options for the benefit of employees, directors and third parties. The maximum number of shares allocated to and made available to be issued under the Plan shall not exceed 10% of the common shares issued and outstanding (on a non-diluted basis) at any time. The exercise price of options granted under the Stock Option Plan will be determined by the directors, but will be at least equal to the closing trading price for the common shares for the last trading day prior to the grant and otherwise the fair market price as determined by the Board of Directors. The term of any option granted shall not exceed five years. Except as otherwise provided elsewhere in the Stock Option Plan, the options shall be cumulatively exercisable in installments over the option period at a rate to be fixed by the Board of Directors. The Company will not provide financial assistance to any optionee in connection with the exercise of options.

	<b>March 31, 2015</b>		<b>December 31, 2014</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price (CDN)</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price (CDN)</b>
Outstanding, beginning of period	<b>4,500,000</b>	<b>\$0.09</b>	2,600,000	\$0.10
Granted	-	\$ -	1,900,000	\$0.07
Outstanding, end of period	<b>4,500,000</b>	<b>\$0.09</b>	4,500,000	\$0.09
Exercisable, end of period	<b>4,500,000</b>	<b>\$0.09</b>	4,470,000	\$0.09

The Company had the following stock options outstanding at March 31, 2015:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,600,000	CDN \$0.10	May 1, 2017
150,000	CDN \$0.05	December 24, 2015
1,150,000	CDN \$0.065	May 29, 2019
500,000	CDN \$0.08	July 2, 2019
100,000	CDN \$0.05	October 17, 2015
<b>4,500,000</b>		

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**8. STOCK OPTIONS AND WARRANTS (Cont'd)**

**(b) Warrants**

The following summarizes the change in foreign currency warrants:

	<b>March 31, 2015</b>	December 31, 2014
Balance, beginning of period	<b>\$ 248,787</b>	\$ 185,472
Fair value of warrants issued - March 3, 2014	-	43,321
Fair value of warrants issued - June 4, 2014	-	53,534
Fair value of warrants issued - June 28, 2014	-	30,757
Fair value of warrants issued - December 30, 2014	-	19,757
Fair value adjustment (Note 8(b)(i))	<b>(82,643)</b>	(84,055)
<b>Balance, end of period</b>	<b>\$ 166,144</b>	<b>\$ 248,787</b>

- (i) At March 31, 2015, the fair value of the 22,710,765 warrants outstanding was estimated at \$166,144 using the Black-Scholes pricing model with the following weighted average assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 - \$0.20 CDN
Risk-free interest rate	0.50%
Expected life	1.462 years
Expected volatility (based on historical prices)	112%

At March 31, 2015, a gain on revaluation of foreign currency warrants of \$82,643 (March 31, 2015 - loss of \$126,668) was recognized in the interim consolidated statement of earnings (loss) and comprehensive earnings (loss).

The Company had the following warrants outstanding at March 31, 2015:

<b>Number of Warrants</b>	<b>Exercise Price (CDN)</b>	<b>Expiry Date</b>
2,800,000	\$ 0.20	January 24, 2016
1,400,000	\$ 0.20	February 8, 2016
2,000,000	\$ 0.20	April 24, 2016
3,250,000	\$ 0.20	June 19, 2016
2,000,000	\$ 0.20	February 20, 2016
1,000,000	\$ 0.20	May 14, 2016
3,650,000	\$ 0.10	December 3, 2016
2,000,000	\$0.10	March 3, 2017
2,300,505	\$0.10	June 4, 2017
1,310,260	\$0.10	June 28, 2017
1,000,000	\$0.10	December 30, 2017
<b>22,710,765</b>		

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**9. EARNINGS (LOSS) PER SHARE**

The calculation of basic and diluted earnings (loss) per share for the period ended March 31, 2015 was based on the earnings attributable to common shareholders of \$32,288 (March 31, 2014 - loss of \$228,188) and the weighted average number of common shares outstanding of 46,476,385 (March 31, 2014 – 37,281,007).

Diluted loss per share did not include the effect of 4,500,000 stock options and 22,710,765 warrants outstanding as they are anti-dilutive.

**10. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management of the Company was as follows:

	<b>March 31, 2015</b>	March 31, 2014
Management and director fees <sup>(i)</sup>	<b>69,290</b>	87,468

(i) Included in office and administrative costs in the consolidated statements of loss and comprehensive loss.

Other related party balances are listed below:

(a) Included in accounts payable and accrued liabilities is \$399,069 (December 31, 2014 - \$400,539) of amounts owing to directors of the Company for management and director fees.

**11. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued capital stock, contributed surplus and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the period ended March 31, 2015.

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**12. FINANCIAL RISK MANAGEMENT**

The Company is exposed to a variety of financial risks by virtue of its activities. In particular market risk (composed of currency risk), liquidity risk, fair value risk and credit risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

**(a) Market Risk**

(i) Currency risk

The Company operates internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

As at March 31, 2015 the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

	<b>March 31, 2015</b>	December 31, 2014
Cash	\$ 1,272	\$ 50,471
HST receivable	\$ 27,696	\$ 26,716
Accounts payable and accrued liabilities	\$ 576,585	\$ 545,537

The above balances were translated into US dollars at the period-end rate of \$0.7885 (December 31, 2014 - \$0.8620) Canadian dollars to every US dollar.

Based on the above net exposures as at March 31, 2015, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net loss of approximately \$22,000.

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at March 31, 2015, the Company has current liabilities of \$464,488 (December 31, 2014 - \$479,327) due within 12 months and has cash of \$1,101 (December 31, 2014 - \$44,681) to meet its current obligations. As a result the Company has liquidity risk and is dependent on raising additional capital to fund operations.

**(c) Fair Value Risk**

The carrying values of reclamation bonds and accounts payable and accrued liabilities approximate fair values due to the relatively short term maturities of these instruments.

**Montana Gold Mining Company Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**March 31, 2015**  
(unaudited)

---

**12. FINANCIAL RISK MANAGEMENT (Cont'd)**

**(d) Credit Risk**

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

**13. COMMITMENTS**

The Company is committed under lease agreements to the payment of amounts totaling \$1,770 in 2015 subsequent to March 31, 2015.

**14. SUBSEQUENT EVENTS**

- (a) On April 24, 2015, the Company received proceeds of \$40,000 CDN (\$32,880 USD) for units to be issued with an ascribed value of \$0.05 CDN per unit. Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.10 CDN.
- (b) On May 12, 2015, the Company received proceeds of \$5,000 CDN (\$4,171 USD) for units to be issued with an ascribed value of \$0.05 CDN per unit. Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.10 CDN.
- (c) On May 13, 2015, the Company issued 1,338,380 units for gross proceeds of \$66,919 CDN (\$54,551 USD). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.10 CDN. A portion of these shares were issued in settlement of share subscriptions received (Note 7 and Notes 14(a) and (b)).