

Montana Gold Mining Company Inc.

Condensed Interim Consolidated Financial Statements

(Expressed in United States Dollars)

(unaudited)

**For the Nine and Three Months Ended September
30, 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)

	September 30, 2015	December 31, 2014
Assets		
Current		
Cash	\$ 3,172	\$ 44,681
HST receivable	14,010	26,371
Prepaid expenses	1,258	1,258
	18,440	72,310
Equipment (Note 3)	87,225	-
Mining claims and deferred exploration expenditures (Note 4)	519,809	510,791
Reclamation bonds (Note 5)	15,271	15,271
	\$ 640,745	\$ 598,372
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 6 and 11)	\$ 58,855	\$ 479,327
Loan due to a director (Note 11)	9,706	-
	68,561	479,327
Foreign currency warrants (Note 9)	75,440	248,787
Convertible debenture (Note 7)	23,941	-
Derivative conversion liability (Note 7)	117,240	-
	285,182	728,114
Shareholders' Equity		
Capital stock (Note 8)	8,168,014	8,135,733
Contributed surplus	1,606,868	1,606,868
Deficit	(9,419,319)	(9,872,343)
	355,563	(129,742)
	\$ 640,745	\$ 598,372

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

(Expressed in United States Dollars)

(unaudited)

	For the Nine Months Ended September 30,		For the Three Months Ended September 30,	
	2015	2014	2015	2014
Expenses				
Office and administrative costs	\$ 234,498	\$ 316,230	\$ 72,540	\$ 108,754
Professional fees	28,855	35,115	9,587	11,785
Stock-based compensation	-	102,273	-	34,836
	263,353	453,618	82,127	155,375
Other expenses (income)				
Gain on foreign exchange	(56,465)	(17,719)	(29,331)	(12,512)
(Gain) loss on revaluation of foreign currency warrants (Note 9)	(199,481)	61,048	(58,236)	(557,558)
Reversal of management and director fees payable (Note 11)	(501,612)	-	(382,114)	-
Loss on revaluation of derivative conversion liability (Note 7)	40,354	-	40,354	-
Accretion expense (Note 7)	827	-	827	-
Reversal of restoration liabilities	-	(22,000)	-	(22,000)
	(716,377)	21,329	(428,500)	(592,070)
Net earnings (loss) and comprehensive earnings (loss) for the period	\$ 453,024	\$ (474,947)	\$ 346,373	\$ (436,695)

Earnings (loss) per share (Note 10)

Basic and diluted	\$ 0.010	\$ (0.011)	\$ 0.007	\$ (0.010)
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Weighted average number of common shares outstanding (Note 10)

Basic and diluted	47,128,416	41,442,176	47,814,765	45,476,385
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Montana Gold Mining Company Inc.
Interim Consolidated Statements of Changes in Equity
(Expressed in United States Dollars)
(unaudited)

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total
Balance, December 31, 2013	37,281,007	\$ 7,830,163	\$ 1,502,612	\$ (9,523,724)	\$ (190,949)
Net loss and comprehensive loss	-	-	-	(474,947)	(474,947)
Units issued for cash	5,610,765	263,593	-	-	263,593
Shares issued to settle debt	2,584,613	153,603	-	-	153,603
Allocated to warrants	-	(127,612)	-	-	(127,612)
Stock-based compensation	-	-	102,273	-	102,273
Balance, September 30, 2014	45,476,385	\$ 8,119,747	\$ 1,604,885	\$ (9,998,671)	\$ (274,039)
Net earnings and comprehensive earnings	-	-	-	126,328	126,328
Units issued for cash	1,000,000	35,743	-	-	35,743
Allocated to warrants	-	(19,757)	-	-	(19,757)
Stock-based compensation	-	-	1,983	-	1,983
Balance, December 31, 2014	46,476,385	\$ 8,135,733	\$ 1,606,868	\$ (9,872,343)	\$ (129,742)
Net earnings and comprehensive earnings	-	-	-	453,024	453,024
Units issued for cash (Note 8)	1,338,380	54,550	-	-	54,550
Allocated to warrants (Note 8)	-	(26,134)	-	-	(26,134)
Share subscriptions due (Note 8)	-	3,865	-	-	3,865
Balance, September 30, 2015	47,814,765	\$ 8,168,014	\$ 1,606,868	\$ (9,419,319)	\$ 355,563

Montana Gold Mining Company Inc.
Interim Consolidated Statements of Cash Flow
(Expressed in United States Dollars)
For the Nine Months Ended September 30, 2015 and 2014
(unaudited)

	2015	2014
Cash provided by (used in)		
Operations		
Net earnings (loss)	\$ 453,024	\$ (474,947)
Items not affecting cash		
Loss on revaluation of derivative conversion liability	40,354	-
(Gain) loss on revaluation of foreign currency warrants	(199,481)	61,048
Reversal of management and director fees payable	(501,612)	-
Accretion expense	827	-
Stock-based compensation	-	102,273
Reversal of restoration liabilities	-	(22,000)
	(206,888)	(333,626)
Net changes in non-cash working capital		
HST receivable	12,361	1,752
Accounts payable and accrued liabilities	81,140	56,056
	(113,387)	(275,818)
Investing		
Mining claims and deferred exploration expenditures	(9,018)	(19,801)
Proceeds from release of reclamation bond	-	25,000
Purchase of equipment	(87,225)	-
	(96,243)	5,199
Financing		
Proceeds from share issuances, net	54,550	263,593
Proceeds from issuance of convertible debenture	100,000	-
Proceeds received for units to be issued	3,865	-
Advances from a director	9,706	-
Net change in cash	(41,509)	(7,026)
Cash, beginning of period	44,681	17,744
Cash, end of period	\$ 3,172	\$ 10,718

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 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 September 30, 2015, the Company incurred net earnings of \$453,024 (December 31, 2014 - net loss of \$348,619) and, as of that date, the Company had accumulated a deficit of \$9,419,319 (December 31, 2014 - \$9,872,343), a working capital deficiency of \$50,121 (December 31, 2014 - \$407,017) and negative cash flows from operations of \$113,387 (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)
September 30, 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 nine and three month periods ended September 30, 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 consolidated 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 September 30, 2015.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on November 27, 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. EQUIPMENT

On September 24, 2015, the Company purchased a diamond drilling rig in the amount of \$87,225 that has an estimated useful life of 10 years. The diamond drilling rig is amortized on a straight-line basis over 10 years. No amortization has been recorded as of September 30, 2015 as the rig has not yet been put in use.

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

4. MINING CLAIMS AND DEFERRED EXPLORATION COSTS

	December 31, 2014	Additions	Write-offs	September, 2015
Silver Bell St. Lawrence Claims, MT ^(a)	\$ 428,446	\$ 4,365	\$ -	\$ 432,811
Golden Trail Claims, NV ^(b)	82,345	4,653	-	86,998
	\$ 510,791	\$ 9,018	\$ -	\$ 519,809
	December 31, 2013	Additions	Write-offs	December 31 2014
Silver Bell St. Lawrence Claims, MT ^(a)	\$ 424,323	\$ 4,123	\$ -	\$ 428,446
Golden Trail Claims, NV ^(b)	66,176	16,169	-	82,345
	\$ 490,499	\$ 20,292	\$ -	\$ 510,791

(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 a technical report in accordance with NI 43-101 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 September 30, 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 a technical report in accordance with NI 43-101 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)
September 30, 2015
(unaudited)

5. RECLAMATION BONDS

As at September 30, 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 BLM 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.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	September 30, 2015	December 31, 2014
Trade payables	\$ 53,403	\$ 47,028
Accrued liabilities:		
Management and director fees (Note 11)	-	400,539
Audit and accounting	5,452	31,760
	\$ 58,855	\$ 479,327

7. CONVERTIBLE DEBENTURE

On August 11, 2015, the Company received \$100,000 USD (principal) from an arm's length party in exchange for a convertible debenture. The convertible debenture is due on demand upon six months notice in writing, with such notice not to be given on or before August 11, 2020. The debenture pays interest at the rate of 4%, payable quarterly, beginning October 1, 2015 with the first payment due December 31, 2015. The convertible debenture, and all principal and interest owing, is convertible, in whole or in part, at the holder's option into units of the Company. Each Unit consists of one common share and one common share purchase warrant. The conversion price of the debenture is \$0.05 CDN per Unit. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.10 CDN per share until August 11, 2020.

As security, the Company has pledged all parts purchased relating to their diamond drill (Note 3).

If the common shares of the Company trade for ten consecutive days trading days on the Canadian Securities Exchange or any other stock exchange or quotation service upon which it happens to trade or be quoted at that time, at a price equal to or greater than \$0.20 CDN per share, this debenture will automatically be converted into units without any action on the part of either the Company or the holder.

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

7. CONVERTIBLE DEBENTURE (Cont'd)

The conversion rate and the warrants to be issued on conversion are not in the Company's functional currency, as a result they are a derivative financial liability. The Company valued the derivative financial liabilities using the Black-Scholes pricing model and after valuing the derivative financial liabilities assigned the remaining value to the convertible debenture.

The fair value of the units were estimated at the issuance date using the Black-Scholes pricing model with the following assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 CDN
Risk free interest rate	0.72%
Expected life	5.5 years
Expected volatility (based on historical prices)	223%

The Company determined the amount relating to the units in the convertible debenture to be \$51,324.

The fair value of the warrants were estimated at the issuance date using the Black-Scholes pricing model with the following assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	0.72%
Expected life	5.0 years
Expected volatility (based on historical prices)	210%

The Company determined the amount relating to the warrants in the convertible debenture to be \$25,562.

The fair value of the units were revalued at September 30, 2015 using the Black-Scholes pricing model with the following assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 CDN
Risk free interest rate	0.81%
Expected life	5.37 years
Expected volatility (based on historical prices)	203%

The units were revalued at \$78,376 resulting in a loss on revaluation of derivative conversion liability of \$27,051.

The fair value of the warrants were revalued at September 30, 2015 based on the Black-Scholes pricing model using the following assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	0.81%
Expected life	4.87 years
Expected volatility (based on historical prices)	213%

The warrants were revalued at \$38,864 resulting in a loss on revaluation of derivative conversion liability of \$13,303.

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

7. CONVERTIBLE DEBENTURE (Cont'd)

Convertible Debenture	September 30, 2015	December 31, 2014
Principal	\$ 100,000	\$ -
Derivative conversion liability	(76,886)	-
Accretion expense	827	-
	\$ 23,941	\$ -

The effective interest rate of the convertible debenture is 26.33%.

Derivative Conversion Liability	September 30, 2015	December 31, 2014
Derivative conversion liability	\$ 76,886	\$ -
Fair value adjustment	40,354	-
	\$ 117,240	\$ -

8. CAPITAL STOCK

Authorized
Unlimited common shares
Issued and outstanding - common shares

	Number of Shares	Value
Balance, December 31, 2013	37,281,007	\$ 7,830,163
Units issued for cash	6,610,765	299,336
Shares issued to settle debt	2,584,613	153,603
Allocated to warrants	-	(147,369)
Balance, December 31, 2014	46,476,385	\$ 8,135,733
Units issued for cash	1,338,380	54,550
Allocated to warrants ⁽ⁱ⁾	-	(26,134)
Share subscriptions ⁽ⁱⁱ⁾	-	3,865
Balance, September 30, 2015	47,814,765	\$ 8,168,014

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

8. CAPITAL STOCK (Cont'd)

- (i) On May 20, 2015, the Company issued 1,338,380 units with an ascribed value of \$0.05 CDN per unit for proceeds of \$66,919 CDN (\$54,550 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 up to May 20, 2018.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.04 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	0.68%
Expected life	3.0 years
Expected volatility (based on historical prices)	127%

The Company determined the amount relating to the warrants in the unit issuance to be \$26,134.

- (ii) On July 15, 2015, the Company received proceeds of \$5,000 CDN (\$3,865 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. As of September 30, 2015, the Company has not yet issued the units.

9. 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.

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

9. STOCK OPTIONS AND WARRANTS (Cont'd)

The Company issued stock options to acquire common shares as follows:

	September 30, 2015		December 31, 2014	
	Number of Options	Weighted Average Exercise Price (CDN)	Number of Options	Weighted Average Exercise Price (CDN)
Outstanding, beginning of period	4,500,000	\$0.09	2,600,000	\$0.10
Granted	-	\$ -	1,900,000	\$0.07
Outstanding, end of period	4,500,000	\$0.09	4,500,000	\$0.09
Exercisable, end of period	4,500,000	\$0.09	4,470,000	\$0.09

The Company had the following stock options outstanding at September 30, 2015:

Number of Options	Exercise Price	Expiry Date
2,600,000	CDN \$0.100	May 1, 2017
150,000	CDN \$0.050	December 24, 2015
1,150,000	CDN \$0.065	May 29, 2019
500,000	CDN \$0.080	July 2, 2019
100,000	CDN \$0.050	October 17, 2015
4,500,000		

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

9. STOCK OPTIONS AND WARRANTS (Cont'd)

(b) Warrants

The following summarizes the change in warrants denominated in a foreign currency:

	September 30, 2015	December 31, 2014
Balance, beginning of period	\$ 248,787	\$ 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 of warrants issued - May 20, 2015 (Note 8(i))	26,134	-
Fair value adjustment (Note 9(b)(i))	(199,481)	(84,055)
Balance, end of period	\$ 75,440	\$ 248,787

- (i) At September 30, 2015, the fair value of the 24,049,145 warrants outstanding was estimated at \$75,440 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	0.52%
Weighted average expected life	1.054 years
Weighted average expected volatility (based on historical prices)	75.7%

At September 30, 2015, a gain on revaluation of foreign currency warrants of \$199,481 (September 30, 2014 - loss of \$61,048) was recognized in the consolidated statement of loss and comprehensive loss.

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

9. STOCK OPTIONS AND WARRANTS (Cont'd)

(b) Warrants (Cont'd)

The Company had the following warrants outstanding at September 30, 2015:

Number of Warrants	Exercise Price (CDN)	Expiry Date
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
1,338,380	\$0.10	May 20, 2018
24,049,145		

10. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the period ended September 30, 2015 was based on the earnings attributable to common shareholders of \$453,024 (September 30, 2014 - loss of \$474,947) and the weighted average number of common shares outstanding of 47,128,416 (September 30, 2014 – 41,442,176).

Diluted loss per share did not include the effect of 4,500,000 stock options and 24,049,145 warrants outstanding as they are anti-dilutive.

11. 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).

Montana Gold Mining Company Inc.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in United States Dollars)
September 30, 2015
(unaudited)

11. RELATED PARTY TRANSACTIONS (Cont'd)

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

	September 30, 2015	September 30, 2014
Share-based payment ⁽ⁱ⁾	\$ -	\$ 86,946
Management and director fees ⁽ⁱⁱ⁾	205,336	243,529
	\$ 205,336	\$ 330,475

(i) Fair value of stock options issued to officers and directors.

(ii) 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 approximately \$Nil (December 31, 2014 - \$400,539) of amounts owing to directors of the Company for management and director fees.
- (b) During the nine months ended September 30, 2014, the Company issued 2,307,690 common shares to officers and directors to settle management fees owing of \$150,000 CDN (\$137,145 USD).
- (c) During the nine months ended September 30, 2015, the Company reversed \$501,612 of management and director fees owing to eight directors which were included in accounts payable and accrued liabilities.
- (d) On July 29, 2015, a director of the Company provided a loan to the Company in the amount of \$9,706 CDN (\$13,000). The loan is non-interest bearing and due on demand.

12. 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 September 30, 2015.

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13. 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 September 30, 2015 the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

	June 30, 2015	December 31, 2014
Cash	\$ 381	\$ 50,471
HST Receivable	\$ 18,765	\$ 26,716
Accounts payable and accrued liabilities	\$ 60,499	\$ 545,537
Loan due to a director	\$ 13,000	\$ -

The above balances were translated into US dollars at the period-end rate of \$0.7466 (December 31, 2014 - \$0.8620) Canadian dollars to every US dollar.

Based on the above net exposures as at September 30, 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 \$2,000.

(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 September 30, 2015, the Company has current liabilities of \$68,561 (December 31, 2014 - \$479,327) due within 12 months and has cash of \$3,172 (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.

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13. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Fair Value Risk

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

(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.

14. COMMITMENTS

The Company is committed under lease agreements to the payment of amounts totaling \$1,770 in 2015 subsequent to September 30, 2015.

15. SUBSEQUENT EVENT

Subsequent to the nine months ended September 30, 2015, the Company received proceeds of \$10,000 CDN 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.