MONTANA
EXPLORATION CORP

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the Three and Six Months Ended June 30, 2016 and 2015

Management's Report

The Management of Montana Exploration Corp. (the "Company") is responsible for the preparation of the condensed interim consolidated financial statements together with all operational and other financial information contained in the quarterly report. The condensed interim consolidated financial statements have been prepared by Management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and utilize the best estimates and careful judgments of Management, where appropriate. Operational and other financial information contained throughout the report is consistent with that provided in the condensed interim consolidated financial statements.

Management has developed and maintains a system of internal controls designed to provide reasonable assurance that all transactions are accurately and reliably recorded, that the condensed interim consolidated financial statements accurately report the Company's operating and financial results within acceptable limits of materiality, that all other operational and financial information presented is accurate, and that the Company's assets are properly safeguarded.

The Audit Committee, comprised of a majority of non-management directors, acts on behalf of the Board of Directors to ensure that Management fulfills its financial reporting and internal control responsibilities. The Audit Committee is responsible for meeting regularly with Management and the external auditors to discuss internal controls over financial reporting processes, auditing matters and various aspects of financial reporting. The Audit Committee reviewed the condensed interim consolidated financial statements with Management and recommended approval to the Board of Directors. The Board of Directors has approved these condensed interim consolidated financial statements.

Charles Selby
Chief Executive Officer

Don Foulkes
President

Calgary, Canada
August 26, 2016

MONTANA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Financial Position (unaudited)

($CDN)	**Note**	**June 30, 2016**	December 31, 2015
ASSETS			
Current Assets			
Cash		**75,242**	993,194
Trade and other receivables		**648,998**	571,854
Prepaid expenses		**42,600**	74,029
TOTAL CURRENT ASSETS		**766,840**	1,639,077
Non-current assets			
Deposits		**198,256**	210,077
Carried working interest receivable	4	**837,708**	824,383
Evaluation and exploration assets	5	**4,762,166**	5,310,865
Property, plant and equipment	6	**90,893**	78,049
TOTAL ASSETS		**6,655,863**	8,062,451
LIABILITIES			
Current Liabilities			
Trade and other payables		**6,880,432**	6,663,331
Promissory note	7(c)	**1,021,890**	1,086,712
Promissory notes	7(a)	**780,801**	780,801
Decommissioning liabilities	9	**108,946**	110,671
TOTAL CURRENT LIABILITIES		**8,792,069**	8,641,515
Non-current liabilities			
Promissory notes	7(b)	**485,966**	170,400
Decommissioning liabilities	9	**3,341,130**	3,434,105
TOTAL LIABILITIES		**12,619,165**	12,246,020
SHAREHOLDERS' DEFICIENCY			
Share capital	10(B)	**60,058,316**	60,058,316
Contributed surplus	10(C)	**11,056,519**	10,875,338
Foreign currency translation adjustment		**547,575**	658,690
Deficit		**(77,625,712)**	(75,775,913)
TOTAL SHAREHOLDERS' DEFICIENCY		**(5,963,302)**	(4,183,569)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**6,655,863**	8,062,451
Going Concern	2		
Contingency and business combination measurement period adjustment	15		
Subsequent events	15,17		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Approved by the Board of Directors

"signed"
Allan Bezanson
Director

"signed"
Michael J. Hibberd
Director

MONTANA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)
For the six and three months ended June 30, 2016 and 2015

($CDN)	Note	For the six months ended June 30,		For the three months ended June 30,	
		2016	2015	**2016**	2015
REVENUE					
Petroleum and natural gas sales		**280,487**	289,652	**158,831**	158,221
Natural gas processing fees		**6,500**	6,802	**2,328**	2,782
Less: royalties		**(44,992)**	(59,915)	**(19,475)**	(31,938)
		241,995	236,539	**141,684**	129,065
EXPENSES					
Production and operating		**348,807**	355,005	**187,236**	194,802
Lease expiries	**5**	**248,571**	24,485	**118,097**	13,481
Impairment of E&E assets	**5**	**23,843**	50,875	**-**	38,392
Impairment of D&P assets	**6**	**161,720**	17,673	**51,669**	(56,791)
Depletion, depreciation and amortization	**6**	**4,603**	78,967	**1,831**	38,621
General and administrative		**1,219,661**	877,668	**666,004**	465,607
Financing expense	**12**	**81,730**	576,335	**45,045**	294,660
Share-based payment expense	**11**	**89,931**	327,683	**44,964**	163,840
		2,178,866	2,308,691	**1,114,846**	1,152,612
Loss before the following:		**(1,936,871)**	(2,072,152)	**(973,162)**	(1,023,547)
Unrealized loss on short-term investments		**-**	(622,222)	**-**	(233,333)
Unrealized foreign exchange gain (loss)		**63,949**	-	**(8,629)**	-
Net foreign exchange gain (loss)		**(10,627)**	997	**(7,352)**	726
Net loss before taxes		**(1,883,549)**	(2,693,377)	**(989,143)**	(1,256,154)
Deferred tax recovery	**8**	**33,750**	-	**33,750**	-
Net loss		**(1,849,799)**	(2,693,377)	**(955,393)**	(1,256,154)
Other comprehensive income (OCI)					
Foreign currency translation adjustment		**(111,115)**	130,048	**13,812**	(26,252)
Other comprehensive income (loss)		**(111,115)**	130,048	**13,812**	(26,252)
Total comprehensive loss		**(1,960,914)**	(2,563,329)	**(941,581)**	(1,282,406)
Loss per share					
Basic		**(0.01)**	(0.03)	**(0.00)**	(0.01)
Diluted		**(0.01)**	(0.03)	**(0.00)**	(0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

MONTANA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the six months ended June 30, 2016 and 2015

($CDN)	**Note**	**Share Capital**	**Warrants**	**Equity Component of Convertible Debentures**	**Foreign Currency Translation Adjustment**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Deficiency**
As at December 31, 2014		51,137,426	1,463,609	34,725	341,196	8,835,555	(73,389,174)	(11,576,663)
Warrant expiry		-	(1,463,609)	-	-	1,463,609	-	-
Foreign currency translation		-	-	-	130,048	-	-	130,048
Common shares issued	10(B)	156,000	-	-	-	-	-	156,000
Share-based compensation	11	-	-	-	-	327,683	-	327,683
Net loss		-	-	-	-	-	(2,693,377)	(2,693,377)
As at June 30, 2015		51,293,426	-	34,725	471,244	10,626,847	(76,082,551)	(13,656,309)
As at December 31, 2015		60,058,316	-	-	658,690	10,875,338	(75,775,913)	(4,183,569)
Foreign currency translation		-	-	-	(111,115)	-	-	(111,115)
Share-based compensation	11	-	-	-	-	89,931	-	89,931
Fair value discount on promissory notes, net of deferred tax	7(b)	-	-	-	-	91,250	-	91,250
Net loss		-	-	-	-	-	(1,849,799)	(1,849,799)
As at June 30, 2016		60,058,316	-	-	547,575	11,056,519	(77,625,712)	(5,963,302)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

MONTANA EXPLORATION CORP.
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
For the six and three months ended June 30, 2016 and 2015

		For the six months ended June 30,		For the three months ended June 30,	
($CDN)	Note	**2016**	2015	**2016**	2015
Cash provided by (used for) the following activities:					
Operating activities:					
Net loss		**(1,849,799)**	(2,693,377)	**(955,393)**	(1,256,154)
Add (deduct):					
Depletion, depreciation and amortization	6	**4,603**	78,967	**1,831**	38,621
Impairment of E&E assets	5	**23,843**	50,875	**-**	38,392
Impairment of D&P assets	6	**161,720**	17,673	**51,669**	(56,791)
Settlement of trade and other payables	10(B)	**-**	26,000	**-**	26,000
Share-based compensation	11	**89,931**	327,683	**44,964**	163,840
Accretion expense	12	**(14,624)**	59,523	**(5,915)**	26,606
Interest expense	12	**96,354**	516,812	**50,960**	268,054
Unrealized loss on short-term investments		**-**	622,222	**-**	233,333
Lease expiries	5	**248,571**	24,485	**118,097**	13,481
Abandonments	9	**(84,579)**	(72,253)	**(70,786)**	(36,461)
Deferred income tax recovery		**(33,750)**	-	**(33,750)**	-
Unrealized (gain) loss on foreign exchange		**(63,949)**	-	**8,629**	-
		(1,421,679)	(1,041,390)	**(789,694)**	(541,079)
Changes in non-cash working capital		**431,838**	357,711	**439,129**	199,575
Cash used in operating activities		**(989,841)**	(683,679)	**(350,565)**	(341,504)
Investment activities:					
Additions to D&P assets	6	**(121,818)**	(103,627)	**(64,646)**	(27,125)
Additions to E&E assets	5	**(36,764)**	(60,254)	**(5,116)**	(45,198)
Deposits		**(808)**	(345)	**(389)**	-
Changes in non-cash working capital		**(181,898)**	(80,747)	**(2,814)**	(61,681)
Cash used in investing activities		**(341,288)**	(244,973)	**(72,965)**	(134,004)
Financing activities:					
Advance from shareholders	7(b)	**420,661**	-	**420,661**	-
Advances from Gale Force Petroleum		**-**	786,324	**-**	586,324
Cash from financing activities		**420,661**	786,324	**420,661**	586,324
Effect of exchange rate changes on cash		**(7,484)**	8,109	**(2,804)**	731
Increase (decrease) in cash		**(917,952)**	(134,219)	**(5,673)**	111,547
Cash, beginning of the period		**993,194**	280,900	**80,915**	35,134
Cash, end of the period		**75,242**	146,681	**75,242**	146,681

No cash interest or cash taxes were paid for the three and six months ended June 30, 2016 or 2015.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. General information

Montana Exploration Corp., (the "Company" or "Montana") is in the business of exploring, developing and producing conventional petroleum and natural gas reserves in Alberta, Montana, Texas and Tennessee. These condensed interim consolidated financial statements include the financial results of Montana Exploration Corp. and its wholly-owned subsidiaries Alberta Selecta Corporation, ANG Holding Corp., ANG Holding (U.S.) Corp., Montana Land and Exploration Inc., AltaCanada Energy Partnership, and Gale Force Petroleum Inc., including its wholly-owned U.S. subsidiaries GFP Texas Inc., and GFP Central USA Inc. The address of the registered office is Suite 2300, 144-4th Ave SW Calgary AB T2P 3N4. The common shares of the Company trade on the TSX Venture Exchange under the symbol MTZ.

Subsequent to June 30 2016, on August 3, 2016, the Company completed a five to one share consolidation. These financial results are presented on the basis of the pre-consolidation shares outstanding.

2. Going concern

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations.

For the six months ended June 30, 2016, the Company had negative cash flow from operating activities before changes in non-cash working capital of $1,421,679 (six months ended June 30, 2015 - $1,041,390), reported a loss of $1,849,799 (six months ended June 30, 2015 - $2,693,377), has net debt, defined as the total of the current and long term promissory notes, the current portion of decommissioning liabilities and working capital deficiency of $8,511,195 (December 31, 2015 - $7,172,838) and an accumulated deficit of $77,625,712 (December 31, 2015 - $75,775,913). Naturally declining production of petroleum and natural gas coupled with a prolonged period of relatively low commodity prices have negatively impacted the Company's cash flows from operations and in turn have reduced the ability of the Company to develop its properties, and to access external financing. Certain promissory notes are past due and in default. Holders of these Notes have the right to pursue remedies available under the general security agreements associated with the Notes (Note 7(a)). In 2015, the Company was notified of liens filed against certain leasehold interests in the amount of approximately $19,500 ($15,000 USD). One of the Company's suppliers has initiated legal action seeking payment of invoices and liquidated damages of $229,860 USD ($299,025 CDN). The Company does not dispute the amount owing. At June 30, 2016 and as of the date of the release of these financial statements, settlement discussions were ongoing. All amounts have been fully accrued in the June 30, 2016 trade and other payables balance.

On February 12, 2016, the Company received an abandonment order on one of its wells in the State of Montana. The province of Alberta's Energy Regulator ("AER"), has also issued an abandonment order for one non-compliant well in the province of Alberta. The estimated abandonment obligations for these two wells of $108,946 have been moved from non-current to current liabilities on the condensed interim consolidated statements of financial position. The Company intends to comply responsibly with these obligations, and is working on a plan and timeline. As part of the Company's ongoing reclamation responsibilities, 17 wells were abandoned in the State of Montana in 2015.

The matters and conditions noted above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In order to address the above factors, in the past twenty four months, the Company has:

a) Completed an arrangement agreement (the "Arrangement Agreement") with Gale Force Petroleum Inc. ("Gale Force") on September 18, 2015, pursuant to which the Company acquired all of the issued and outstanding common shares and Series III preferred shares of Gale Force by way of a statutory plan of arrangement. The transaction improved the Company's consolidated statement of financial position by adding cash assets and by the concurrent conversion of a significant portion of the Company's outstanding debt to shareholders into equity.

b) Continued exploring financing through a combination of new equity and potential joint arrangements on its lands, in order to fund activity on its significant asset base and to pay outstanding trade payables, advances from shareholders and promissory notes. An acceptable joint arrangement would include an equalization payment in recognition of the Company's investment to date, and also a defined drilling commitment.

c) Engaged several parties, on a best-efforts basis, to assist the Company with seeking a joint venture partner or raising capital to pay off existing creditors and to provide capital to undertake an oil exploration and development program in the Shaunavon in Montana and to drill natural gas targets on the Company's lands in accordance with the Company's earning provisions with a large Montana-based utility. The Company has signed non-disclosure agreements with potential investors and joint venture partners and is participating in an active due diligence process. Fees are contingent on closing of a successful arrangement.

d) Acquired approximately 46,000 undeveloped acres and some associated seismic data in the State of Montana on October 20, 2015 for $700,000 USD comprised of $200,000 USD in cash and $500,000 USD in common shares of Montana issued at a deemed price of $0.075 USD per share ($0.10 CDN per share), for a total of 6,666,667 common shares. This acquisition increased the Company's working interest on some of its core acreage, making the prospective projects more attractive to investors and for financing purposes.

e) Executed an agreement ratified by the Board of Directors on November 30, 2015 whereby Montana became the strategic drilling partner of a utility company in the State of Montana. The Farm-in agreement covers approximately 315,000 acres in Blaine and Hill Counties in the State of Montana, including the rights to develop the shallow Eagle gas zone and to pursue the Shaunavon oil prospect and all other zones throughout the acreage. Under the terms of the Agreement, the Company is required to drill a minimum of ten wells throughout the Farm-in Acreage within 24 months, of which at least six wells must be Eagle gas wells. Following the initial drilling program, the Company has continual drilling rights throughout the Farm-in Acreage as long as each new well spuds within 90 days of completion of the prior well. The Company also has an arrangement with its partner to receive and review interpretations of the partner's 3D seismic data, which covers over 250 square miles, including the Farm-in Acreage. The Company has concentrated on the seismic data now for several months, and has generated an inventory of prospects and locations that it is prepared to pursue. The Company will act as the operator of the drilling program. On May 5, 2016, the Company was granted an extension on the start date of the drilling program, to begin by no later than September 21, 2017.

f) Issued an unsecured $200,000 USD promissory note on August 18, 2015, bearing 10% interest per annum to a significant shareholder and Director (related party) of the Company. The note matures on August 18, 2018 (Note 7(b)). The Company received additional advances from the same related party and issued a secured promissory note for $785,526 USD on December 30, 2015 with a one year term bearing 10% interest per annum (Note 7(c)). Additional advances from the same related party of $100,000 USD, $160,000 USD and $66,500 USD were received on April 7, 2016, May 12, 2016 and June 22, 2016, respectively, and secured promissory notes were issued with three year terms bearing 10% interest per annum (Note 7(b)). Subsequent to June 30, 2016, on July 27, 2016, a short-term, one year note for $400,000 USD was issued bearing a 10% per annum interest rate (Note 17).

g) The Company is exploring ways of monetizing assets, including but not limited to the disposition of non-core assets, to help create further short-term liquidity.

The Company requires financing for working capital and the exploration and development of its properties and is actively seeking sources of funds. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict and there can be no assurance whether financing efforts will be successful or if the Company will attain profitable levels of operation. Without access to further third-party funding, this material uncertainty casts significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported revenue and expenses and statement of financial position classifications that would be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

3. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015 which have been prepared in accordance with IFRS as issued by the IASB. There were no new or amending accounting standards or interpretations adopted during the three and six months ended June 30, 2016 that had a material effect on the Company's condensed interim consolidated financial statements. There are no new or amended accounting standards or interpretations issued during the three and six months ended June 30, 2016 that are applicable to the Company in future periods.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 26, 2016.

Basis of measurement

These condensed interim consolidated financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost convention except for derivative financial instruments which are measured at fair value.

Functional and presentation currency

The Company has presented these condensed interim consolidated financial statements in Canadian Dollars ("CDN" or "$") which is the Company's and subsidiaries' functional currency with the exceptions of Montana Land and Exploration Inc., GFP Texas Inc. and GFP Central USA Inc. (all of which are indirect 100% owned subsidiaries of Montana Exploration Corp.). The functional currency of these subsidiaries is the United States Dollar ("USD" or "US$").

The accounting policies are described in Notes 3 and 4 of the annual audited consolidated financial statements for the year ended December 31, 2015.

All amounts disclosed are in Canadian dollars unless otherwise stated

4. Carried Working Interest Receivable

The carried working interest receivable, which the Company acquired as part of a business combination with Gale Force in September 2015, is considered a financial asset and is classified as loans and receivables and is being subsequently measured at amortized cost using an effective interest rate of 15% per annum. As costs are incurred by the carrying party, the amount is drawn down and is recorded as property, plant and equipment or production costs, depending on the nature of the expense. The undiscounted balance is $1,000,000 USD and any unspent balance will be refunded to the Company by June, 2019, subject to the outcome of the Notice of Claim as described in Note 15. The following table sets forth a reconciliation of the changes in the carried working interest receivable:

	June 30, 2016 $	December 31, 2015 $
Balance, beginning of period	824,383	-
Acquired on acquisition of Gale Force	-	750,894
Accretion of the discount (Note 12)	60,252	32,717
Foreign exchange	(46,927)	40,772
Balance, end of period	**837,708**	824,383

5. Exploration and evaluation ("E&E") assets

	June 30, 2016 $	December 31, 2015 $
Balance, beginning of period	5,310,865	4,324,050
Additions	36,764	414,836
Additions acquired through share capital (Note 10(B)(c))	-	400,000
Additions to decommissioning liabilities	-	32,717
Lease expiries	(248,571)	(592,490)
Impairment	(23,843)	(76,974)
Exchange differences	(313,049)	808,726
Balance, end of period	**4,762,166**	5,310,865

The Company recognized lease expiries of $248,571 during the six months ended June 30, 2016 (six months ended June 30, 2015 - $24,485) as it did not renew certain non-producing leases in its US operating segment. The Company also maintains a three month look-forward policy to determine its lease expiries for the current period and therefore the amount of lease expiries includes an estimate of leases the Company expects to expire during the three months ended September 30, 2016.

The Company recorded an impairment charge of $23,843 for the six months ended June 30, 2016 (six months ended June 30, 2015 - $50,875). The current impairment charge relates to lease rentals and minimum royalties on abandoned wells in the White Bear CGU (US operating segment), which the Company is obligated to pay under Federal Treasury enforcement on behalf of the Bureau of Indian Affairs ("BIA"). The Company does not intend to continue with any development in this CGU.

During the three and six months ended June 30, 2016 and 2015, no general and administrative costs were capitalized.

All amounts disclosed are in Canadian dollars unless otherwise stated

6. Property, plant and equipment ("D&P assets")

	Petroleum and natural gas properties	Office equipment	Total
	$	**$**	**$**
Cost:			
At January 1, 2015	21,156,656	358,280	21,514,936
Additions	187,765	-	187,765
Changes in decommissioning liabilities (Note 9)	(1,420,092)	-	(1,420,092)
Exchange differences	80,666	-	80,666
At December 31, 2015	20,004,995	358,280	20,363,275
Additions	121,818	-	121,818
Changes in decommissioning liabilities (Note 9)	61,426	-	61,426
Exchange differences	(73,642)	-	(73,642)
At June 30, 2016	**20,114,597**	**358,280**	**20,472,877**
Accumulated depletion, depreciation and impairments:			
At January 1, 2015	(20,109,731)	(329,544)	(20,439,275)
Depletion, depreciation and amortization	(147,805)	(7,549)	(155,354)
Impairment, net of reversals	232,728	-	232,728
Exchange differences	76,675	-	76,675
At December 31, 2015	(19,948,133)	(337,093)	(20,285,226)
Depletion, depreciation and amortization	(1,861)	(2,742)	(4,603)
Impairment	(161,720)	-	(161,720)
Exchange differences	69,565	-	69,565
At June 30, 2016	**(20,042,149)**	**(339,835)**	**(20,381,984)**
Net Book Value:			
At December 31, 2015	**56,862**	**21,187**	**78,049**
At June 30, 2016	**72,448**	**18,445**	**90,893**

At each period end, the Company assesses whether any CGUs have indicators of impairment. When indicators of impairment are identified, the Company assesses the recoverable amount of the applicable CGU based on the greater of fair value less costs of disposal and value in use, discounted at 15% as at the reporting date. Prolonged reductions to long term forecasted future petroleum and natural gas benchmark pricing indicated that CGUs may be impaired. As a result of continuing low commodity prices, the Company tested its CGUs for impairment.

During the six months ended June 30, 2016, the Company revised its estimate of the decommissioning liabilities for its Canadian and US geographical segment properties. Decommissioning adjustments resulted in impairments of $34,273 (six months ended June 30, 2015 – $17,673) from the Company's CGUs in the Canadian geographical segment, and impairments of $27,153 (six months ended June 30, 2015 - $5,445) from the Company's CGUs in the US Geographical segment. During the six months ended June 30, 2016, current period capital spending of $61,159 in the Pine Mills CGU, $13,814 in the Battle Creek CGU, $3,401 in the Cherry Patch CGU and $21,920 in the White Bear CGU was impaired as the related projects were fully impaired at December 31, 2015. The current economic climate cannot support the current level of investment in the properties although the operator is utilizing the decrease in service prices to improve the properties in anticipation of better pricing.

All amounts disclosed are in Canadian dollars unless otherwise stated

Canadian Geographical Segment	**June 30, 2016 $**	**June 30, 2015 $**
Viking Kinsella	23,768	8,085
Cardiff	6,655	1,731
Killam/Sedgwick	3,699	4,708
Minor properties	151	(2,296)
Total Canadian Geographical Segment	**34,273**	12,228
US Geographical Segment		
Battle Creek	17,331	-
Cherry Patch	25,081	-
Pine Mills	61,159	-
White Bear	23,876	5,445
Total US Geographical Segment	**127,447**	5,445
Total Impairment	**161,720**	17,673

The recoverable amount for the Company's Canadian segment CGUs is $nil as there are currently no economically recoverable reserves in the current pricing environment.

The impairment of the Battle Creek CGU was principally due to decreased commodity prices and declining reserves. The Cherry Patch, White Bear and Pine Mills CGUs were fully impaired as there were currently no economically recoverable reserves at December 31, 2015 and therefore the CGUs have a fair value of $nil. The recoverable amounts of the US operating segment CGUs are as follows:

	June 30,2016 $
Battle Creek	72,448
Cherry Patch	-
Pine Mills	-
White Bear	-
Total	**72,448**

All amounts disclosed are in Canadian dollars unless otherwise stated

7. Indebtedness

		June 30, 2016 $	December 31, 2015 $
Promissory notes (current liability)	(a)	**780,801**	780,801
Promissory notes (long-term liability)	(b)	**485,966**	170,400
Promissory note	(c)	**1,021,890**	1,086,712
		2,288,657	2,037,913
Less current portion		**1,802,691**	1,867,513
Non-current portion		**485,966**	170,400

a) Promissory notes (current liabilities)

Promissory notes, totalling $780,801, bear interest at the National Bank of Canada prime rate plus 2.5% per annum. Interest on the notes may, at the election of the Company, be paid by the issuance of common shares priced at the prevailing fifteen day weighted average share trading price. The principal amount of these notes and interest thereon was due and payable in 2013. Holders of the promissory notes have the right to pursue remedies available under the general security agreement associated with the promissory notes. Unpaid interest of $171,721 has been included in trade and other payables at June 30, 2016 (December 31, 2015 - $147,424). Total interest expense for the six and three months ending June 30, 2016 was $24,297 and $12,227 respectively (six and three months ended June 30, 2015 - $27,896 and $14,180, respectively).

b) Promissory notes (long-term liabilities)

On August 18, 2015, the Company issued a $200,000 USD ($259,420 CDN) promissory note bearing interest at a rate of 10% per annum to be paid annually to a major shareholder and director (related party). The note matures and shall be payable on August 18, 2018. The fair value of the promissory note was estimated using discounted cash flows and is being accreted up to the principal amount on maturity, using an effective interest of 24%. The difference between the fair value and the carrying amount of $101,000 is considered a capital contribution, and was recorded, net of deferred tax of $27,000, in contributed surplus. Accretion of $12,395 and $6,226 has been recorded for the six and three months ended June 30, 2016 (six and three months ended June 30, 2015 - $nil). Unpaid interest of $23,293 has been included in trade and other payables at June 30, 2016 (December 31, 2015 - $10,021). Interest expense for the six and three months ended June 30, 2016 was $13,272 and $6,425, respectively (six and three months ended June 30, 2015 - $nil).

In the second quarter of 2016, the Company issued three additional promissory notes on the same terms as above: bearing interest at a rate of 10% per annum to be paid annually, to the same major shareholder and director (related party), for three year terms. Additionally, the promissory notes are secured by a mortgage, assignment of production, security agreement and financing statement. The fair value of the promissory notes were estimated using discounted cash flows and are being accreted up to the principal amount on maturity, using an effective interest rate of 24%. The Company issued promissory notes on April 7, 2016 for $100,000 USD ($128,840 CDN); on May 12, 2016 for $160,000 USD ($207,040 CDN) and on June 22, 2016, for $66,500 USD ($84,781 CDN). The difference between the fair value and the carrying amounts of $125,000 is considered a capital contribution, and was recorded, net of deferred tax of $33,750, in contributed surplus. Accretion of $5,248 has been recorded for the six and three months ended June 30, 2016 (six and three months ended June 30, 2015 - $nil). Unpaid interest of $5,921 has been included in trade and other payables at June 30, 2016 (December 31, 2015 - $nil). Interest expense for the six and three months ended June 30, 2016 was $5,921 (six and three months ended June 30, 2015 - $nil).

All amounts disclosed are in Canadian dollars unless otherwise stated

The following table sets forth a reconciliation of the changes in the promissory notes:

	Liability Component $	Equity Component $	Total $
Balance, January 1, 2015	-	-	-
Promissory note	162,300	101,000	263,300
Deferred tax liability	-	(27,000)	(27,000)
Accretion of the discount	8,100	-	8,100
Foreign exchange	-	-	-
Balance, December 31, 2015	**170,400**	**74,000**	**244,400**
Promissory notes	295,661	125,000	420,661
Deferred tax liability	-	(33,750)	(33,750)
Accretion of the discount (Note 12)	17,643	-	17,643
Foreign exchange	2,262	-	2,262
Balance, June 30, 2016	**485,966**	**165,250**	**651,216**

The principal amounts of $526,500 USD, converted at the spot rate on June 30, 2016 total $684,924 CDN (December 31, 2015 - $200,000 USD principal was $276,800 CDN at the then spot rate).

The loan maturities for the three year promissory notes are summarized as follows:

Date Issued	Loan amount (USD) $	Maturity Date
August 18, 2015	200,000	August 18, 2018
April 7, 2016	100,000	April 7, 2019
May 12, 2016	160,000	May 12, 2019
June 22, 2016	66,500	June 22, 2019
Total	526,500	

c) *Promissory note (current liability)*

On December 30, 2015, the Company received loans from and issued a promissory note to a company controlled by an individual who is a Director of the Company and a significant shareholder (related party), in the amount of $1,086,712 ($785,526 USD). The promissory note is secured by a mortgage, assignment of production, security agreement and financing statement. The principal amount is due December 30, 2016 and shall bear interest at 10% per annum paid annually. Unpaid interest on this loan of $54,538 has been included in trade and other payables at June 30, 2016 (December 31, 2015 - $2,409). Interest expense for the six and three months ended June 30, 2016 was $52,130 and $25,237, respectively (six and three months ended June 30, 2015 - $nil).

8. Taxes

The Company has unrecognized deferred tax assets since it cannot currently demonstrate that it is probable that this potential value will be realized.

The deferred tax recovery for the six and three months ended June 30, 2016 of $33,750 (six and three months ended June 30, 2015 - $nil) is a result of recognizing a deferred tax asset to offset the deferred tax liability recognized on the issuance of promissory notes (see Note 7(b)).

All amounts disclosed are in Canadian dollars unless otherwise stated

9. Decommissioning liabilities

The Company makes a provision for the future cost of decommissioning petroleum and natural gas properties on a discounted basis. Total undiscounted inflated costs of approximately $4,150,000 (2015 - $4,270,000) are expected to be settled over a period of 1 to 20 years into the future. The provision has been estimated using existing technology at current prices. The economic life and the timing of the decommissioning liabilities are dependent on Government legislation, commodity prices and the future petroleum and natural gas production profiles. In addition, the estimated cash outflows are subject to inflationary and/or deflationary pressures in the cost of third party services. An inflation factor of 2% has been applied to the estimated decommissioning cost at June 30, 2016 and December 31, 2015. The average risk-free rate of 1.72% was used to calculate the fair value of the decommissioning liabilities at June 30, 2016 and December 31, 2015, respectively.

	June 30, 2016 **$**	December 31, 2015 $
Balance, beginning of period	3,544,776	4,875,151
Additions	-	37,809
Acquired on Business combination	-	103,724
Changes in estimate[1]	61,426	(1,698,606)
Changes in discount rates	-	273,424
Accretion (Note 12)	27,985	113,279
Abandonment costs incurred[2]	(84,579)	(464,548)
Exchange differences	(99,532)	304,543
Balance, end of period	**3,450,076**	3,544,776
Current portion	**108,946**	110,671
Long term portion	**3,341,130**	3,434,105

[1] Changes in estimate include changes in estimates of costs of abandonment and reclamation and changes to expected timing of expenditures due to reduced reserve lives.
[2] The Company abandoned 17 wells in the State of Montana in the year ended December 31, 2015. In the six months ended June 30, 2016, $82,483 of the total $84,579 in abandonment costs relate to work billed by operating partners and was for work performed in Alberta.

The current portion of the decommissioning liabilities relates to wells in the State of Montana and the Province of Alberta where the Company has either been ordered or reasonably expects to receive an order to abandon and reclaim the wells within the next twelve months. The breakdown of the liability by jurisdiction and by classification of current or non-current as at June 30, 2016 is as follows:

Jurisdiction	**Current liability $**	**Non-current liability $**	**Total liability $**
Alberta, Canada	69,727	1,822,030	1,891,757
Montana, USA	39,219	1,424,404	1,463,623
Texas, USA	-	94,696	94,696
Total	**108,946**	**3,341,130**	**3,450,076**

All amounts disclosed are in Canadian dollars unless otherwise stated

10. Share capital and reserves

A) Authorized

The Company is authorized to issue an unlimited number of common or preferred shares without nominal or par value.

B) Issued common shares

	Number of Shares	$
Balance, December 31, 2014	101,451,268	51,137,426
Shares issued in settlement of trade and other payables (a)	1,300,000	156,000
Shares issued in settlement of demand facility	7,425,763	445,546
Shares issued in settlement of mezzanine facility	13,124,680	787,481
Shares issued in settlement of advances from shareholders	32,171,257	1,930,275
Shares issued in settlement of convertible debentures	40,321,942	2,419,316
Reclassify equity component of convertible debenture	-	34,725
Shares issued in Gale Force business combination (b)	42,751,418	2,565,085
Shares issued in settlement of Gale Force debts (b)	3,741,412	224,485
Shares issued in acquisition of exploration and evaluation assets (c)	6,666,667	400,000
Share issue costs	-	(42,023)
Balance, December 31, 2015 and June 30, 2016	**248,954,407**	**60,058,316**

a) The Company issued 1,300,000 common shares to Waldron Energy Ltd. on June 23, 2015 in settlement of certain trade and other payables with a carrying amount of $130,000. The value of the Montana shares was based on the share price at the date of issuance of $0.12 per share. The difference between the carrying amount of the financial liabilities extinguished and the consideration provided of $26,000 was recognized in profit and loss and included in general & administrative expenses. This non-cash transaction was excluded from the condensed interim consolidated statement of cash flows.

b) On September 18, 2015, the Company completed an Arrangement Agreement whereby the Company acquired Gale Force. 42,751,418 common shares were issued in the acquisition of Gale Force and 3,741,412 shares were issued to settle certain of Gale Force's outstanding payable amounts. As a condition of the Arrangement Agreement, the Company converted $7,515,000 of its debt and the associated $1,789,364 of interest payable into shares of the Company.

c) On October 20, 2015, the Company acquired certain land and seismic exploration and evaluation assets in the State of Montana in exchange for 6,666,667 common shares valued at $0.06 per common share.

d) A five for one share consolidation was completed subsequent to the end of this quarterly reporting period, on August 3, 2016.

All amounts disclosed are in Canadian dollars unless otherwise stated

C) Contributed surplus

The fair value of share options granted to employees, including key management personnel, as part of their remuneration is recognized as share-based compensation with a corresponding increase in contributed surplus. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital.	**Amount $**
Balance, December 31, 2014	**8,835,555**
Share-based compensation	446,694
Fair value discount on promissory note, net of deferred tax (Note 7(b))	74,000
Business combination consideration	55,480
Warrant expiry	1,463,609
Balance, December 31, 2015	**10,875,338**
Share-based compensation (Note 11)	89,931
Fair value discount on promissory note, net of deferred tax (Note 7(b))	91,250
Balance, June 30, 2016	**11,056,519**

11. Share-based compensation

The Company has implemented a long-term incentive plan that allows management to award stock options to eligible directors, officers, employees and contractors for up to a maximum of 10 percent of its issued and outstanding common shares at market price at the date of the grant. The outstanding options under this plan vest over three years and have a term of five years.

At June 30, 2016, the Company had the following outstanding stock options issued to directors and staff pursuant to the Company's incentive stock option plan:

		June 30, 2016		**December 31, 2015**
	Number	Weighted Average Exercise price	Number	Weighted Average Exercise price
Outstanding, beginning of period	10,184,045	$0.18	8,940,001	$0.21
Granted	-	-	-	-
Granted as replacement options	-	-	3,394,500	0.13
Forfeited and expired	-	-	(2,150,456)	0.22
Exercised	-	-	-	-
Outstanding at end of period	**10,184,045**	**$0.18**	**10,184,045**	**$0.18**
Exercisable at end of period	**8,015,844**	**$0.17**	**8,015,844**	**$0.17**

All amounts disclosed are in Canadian dollars unless otherwise stated

The following table summarizes the expiry terms and exercise prices of the Company's outstanding stock options as of June 30, 2016:

Number of options	Exercise price	Weighted average remaining contractual life (years)	Expiry date	Number of options exercisable
285,000	$0.25	0.03	July 13, 2016	285,000
6,300,000	0.20	3.02	July 8, 2019	4,199,986
204,545	0.20	3.06	July 22, 2019	136,358
1,906,500	0.13	0.22	September 16, 2016	1,906,500
1,488,000	0.13	3.38	November 17, 2019	1,488,000
10,184,045	**$0.18**	**2.47**		**8,015,844**

During the six and three months ended June 30, 2016, $89,931 and $44,964 (six and three months ended June 30, 2015 - $327,683 and $163,840), respectively, in share-based compensation cost was incurred.

12. Financing expense

Net finance expenses recognized in the condensed interim consolidated statements of comprehensive loss are comprised of:

	For the six months ended June 30		For the three months ended June 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
Interest expense	**96,354**	516,812	**50,960**	268,054
Accretion of convertible debentures	**-**	2,344	**-**	-
Accretion of long-term promissory note (Note 7(b))	**17,643**	-	**11,474**	-
Accretion of carried working interest receivable (Note 4)	**(60,252)**	-	**(29,767)**	-
Accretion of decommissioning liabilities (Note 9)	**27,985**	57,179	**12,378**	26,606
	81,730	576,335	**45,045**	294,660

13. Loss per share

	Net loss for the period $	Weighted average number of shares	Per share amount $
June 30, 2016			
Three months ended – basic and diluted	**(955,393)**	**248,954,407**	**(0.00)**
Six months ended - basic and diluted	**(1,849,799)**	**248,954,407**	**(0.01)**
June 30, 2015			
Three months ended – basic and diluted	(1,256,154)	101,551,268	(0.01)
Six months ended - basic and diluted	(2,693,377)	101,501,544	(0.03)

All amounts disclosed are in Canadian dollars unless otherwise stated

14. Segmented Reporting

The Company earns income from two geographical regions and reports on this basis as follows:

For the three months ended:		**June 30, 2016**			June 30, 2015	
	Canada $	**USA $**	**Total $**	**Canada $**	**USA $**	**Total $**
Revenues, net of royalties	85,530	56,154	141,684	57,955	71,110	129,065
Net loss before tax	(661,344)	(327,799)	(989,143)	(1,072,314)	(183,840)	(1,256,154)
Total assets	408,963	6,246,900	6,655,863	500,092	6,324,957	6,825,049
Property, plant and equipment	18,445	72,448	90,893	24,993	1,194,676	1,219,669
Exploration and evaluation assets	-	4,762,166	4,762,166	-	4,633,623	4,633,623
Capital additions	-	69,762	69,762	-	72,323	72,323
Total liabilities	7,616,842	5,002,323	12,619,165	15,481,659	4,999,699	20,481,358

For the six months ended:		**June 30, 2016**			June 30, 2015	
	Canada $	**USA $**	**Total $**	**Canada $**	**USA $**	**Total $**
Revenues, net of royalties	127,450	114,545	241,995	104,209	132,330	236,539
Net loss before tax	(1,182,353)	(701,196)	(1,883,549)	(2,292,834)	(400,543)	(2,693,377)
Total assets	408,963	6,246,900	6,655,863	500,092	6,324,957	6,825,049
Property, plant and equipment	18,445	72,448	90,893	24,993	1,194,676	1,219,669
Exploration and evaluation assets	-	4,762,166	4,762,166	-	4,633,623	4,663,623
Capital additions	-	158,582	158,582	-	163,881	163,881
Total liabilities	7,616,842	5,002,323	12,619,165	15,481,659	4,999,699	20,481,358

15. Contingency and business combination measurement period adjustment

On September 18, 2015, the Company acquired all of the issued and outstanding shares of Gale Force as previously disclosed in the consolidated financial statements for the year ended December 31, 2015.

On January 15, 2014, Hammerhead Managing Partners LLC (“Hammerhead”) filed a Notice of Claim, under which they claimed ownership of an interest in the Pine Mills properties, based on alleged unrecorded purchases of interests dating prior to the acquisition of the Pine Mills Properties by Gale Force, and long before the acquisition of Gale Force by Montana. The Company refuted Hammerhead’s claims, requested that the litigation be referred to final binding arbitration, which was granted in December, 2015. The arbitration hearing was held on April 18 and 19, 2016. On July 19, 2016, the arbitrator ruled that

All amounts disclosed are in Canadian dollars unless otherwise stated

Hammerhead did have a 12.5% working interest. The arbitration is binding. The Company has accepted this unexpected result, and submitted the arbitrator's decision to the court for judgement, such that the ownership rights are confirmed and registered.

On July 21, 2016, the Company sent a demand for payment for the joint interest billings owing for the 12.5% working interest for the period from October 2009 to May 2015. Hammerhead is disputing the billing. The next arbitration hearing will be in September 2016, to determine the net amount owing to the Company with respect to the working interest awarded to Hammerhead, as the Pine Mills properties were in a net operating loss position. No amount has been accrued in the condensed interim consolidated financial statements until a settlement can be reached at the arbitration hearing. The resolution of this matter and the cost or benefit of any settlement is subject to measurement uncertainty.

As a result of the arbitration ruling, new information has been obtained about facts and circumstances that existed as of the acquisition date of Gale Force that would have affected the measurement of the amounts recognized as of that date. The Company has: decreased decommissioning liabilities assumed by $167,328 as a result of the reduced working interest; increased trade and other receivables acquired by $58,934 for the net operating losses paid by Gale Force to the operator for the period from June 2015 to September 18, 2015; and decreased goodwill by $226,262. The goodwill was subsequently impaired as disclosed in the consolidated financial statements for the year ended December 31, 2015.

The following table summarizes the net assets acquired and liabilities assumed:

Consideration:		
Fair value of common shares issued	$	2,565,085
Market-based value of replacement options exchanged		132,256
Less: unvested portion of the market-based value of original options		(55,480)
Less: excess of market-based value of vested replacement options over the original options		(21,296)
Total consideration	**$**	**2,620,565**
Fair value of net assets acquired:		
Cash	$	922,132
Trade and other receivables		383,220
Secured note and related interest due from Montana		1,113,773
Carried working interest receivable		750,894
Goodwill		527,061
Trade and other payables		(748,306)
Trade and other payables settled through the issuance of Montana common shares		(224,485)
Decommissioning liabilities		(103,724)
Total net assets acquired	**$**	**2,620,565**

The Company has also adjusted petroleum and natural gas revenue, royalties and production and operating expenses since the acquisition of Gale Force on September 18, 2015 to June 30, 2016, retrospectively, for the decrease in working interest based on the measurement period adjustment to working interest. The Company has also adjusted accretion on decommissioning liabilities as a result of the change in the liability assumed on acquisition. The following amounts have been adjusted for each respective period previously reported:

All amounts disclosed are in Canadian dollars unless otherwise stated

Increase (decrease)	Three and nine months ended September 30, 2015 $	Year ended December 31, 2015 $	Three months ended March 31, 2016 $
Statement of financial position:			
Trade and other receivables	66,854	140,253	228,586
Decommissioning liabilities	(167,328)	(177,870)	(167,624)
Foreign currency translation adjustment	-	13,244	(12,509)
Deficit	-	(304,879)	(408,719)
Statement of comprehensive loss:			
Petroleum and natural gas revenue	(7,781)	(29,112)	(40,019)
Royalties	(358)	(1,682)	(10,758)
Production and operating expenses	(15,343)	(104,024)	(132,100)
Impairment of goodwill	(226,262)	(226,262)	-
Accretion on decommissioning liabilities	-	(2,023)	(1,001)
Foreign currency translation adjustment	-	13,244	25,753
Statement of cash flows:			
Cash used in operating activities before changes in non-cash working capital	7,920	76,594	102,839

16. Risk Management

Financial risks

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations and interest rates). The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company’s financial performance.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The maximum exposure to credit risk at June 30, 2016 is the carrying value of cash, trade and other receivables and deposits. The face value of the carried working interest receivable is $1,000,000 USD, which is subject to credit risk. Management is in discussions with the carrying partner regarding the Notice of Claim as described in Note 15, and the valuation of the carried working interest receivable.

The Company’s deposits are primarily due from provincial and US state governments and are viewed by management as having minimal credit risk.

The Company manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligaitons.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining cash balances. Liquidity requirements are managed based on expected cash flow to ensure that there is capital to meet short term and long term obligations. As disclosed in Note 2, the Company is currently facing liquidity challenges and its ability to continue as a going concern is dependent on many factors.

Additional information regarding liquidity risk is disclosed in Note 2.

Market risk

Market risk is the risk that changes in commodity prices, foreign exchange rates and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company may utilize both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted in accordance with the risk management guidelines that have been authorized by the Board of Directors.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations on transactions conducted in foreign currencies other than the functional currency and in the carrying value of the Company's subsidiaries, some of which have the USD as their functional currency, and are translated to the Canadian presentation currency. The majority of the Company's revenue and production and transportation expenses are translated and denominated in USD.

Commodity price risk

Commodity price risk is the risk that the fair value of future funds flow will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by not only the relationship between the CDN and USD, but also world economic events that dictate the levels of supply and demand. Montana's management continuously monitors commodity prices and initiates instruments to manage exposure to these risks when it deems appropriate. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors. Under the Company's risk management policy, financial derivatives are not to be used for speculative purposes. There were no commodity price financial derivatives outstanding as at June 30, 2016 or December 31, 2015.

17. Subsequent Events

a) On July 27, 2016 the Company issued a $400,000 USD secured promissory note bearing interest at a rate of 10% per annum to a related party. The note matures on July 27, 2017.

b) On August 3, 2016, the Company completed a five to one share consolidation, as was approved by shareholders at the Company's Annual General Meeting in June 2016.

c) On July 19, 2016 an arbitration ruling awarded a 12.5% working interest in the Company's Pine Mills property in Texas to Hammerhead Managing Partners LLC. Refer to Note 15 for further details.

Board of Directors

CHARLES V. SELBY, B.SC. (HONS.) J.D., P.ENG.

Mr. Selby has more than 30 years of involvement in all aspects of the oil and gas industry. Mr. Selby was employed with Chevron Standard in Alberta and in the Kingdom of Saudi Arabia, and practised law with two major legal firms in Calgary for ten years prior to pursuing independent professional and investment activities in August 1994 as President of Selby Professional Corporation. Mr. Selby was formerly Vice President of the Pengrowth Corporation. Mr. Selby serves on the boards of several public and private companies related to the oil and gas industry and the provision of technology to that industry.

DONALD E. FOULKES, B.SC., P.GEOL.

Mr. Foulkes has 44 years of oil and gas experience with private and public companies in Canada, the United States and internationally. Prior to joining AltaCanada, Mr. Foulkes was Chairman and Chief Executive Officer of Causeway Energy Corp. from 1998 until its sale to Pan–Canadian in August of 2001.

MICHAEL J. HIBBERD, BA, MBA, LLB. *

Mr. Hibberd has extensive capital markets and mergers and acquisitions experience. Mr. Hibberd serves on a number of public company boards and acts as an advisor to a number of Calgary based companies with North American and international oil and gas operations.

JAMES W. COLLINS *

Mr. Collins is an independent businessman and corporate director. He is Chairman of Rioco Corp. Real Estate Services, LLC, McAllen, Texas, a commercial brokerage, management and investment real estate Corporation. Mr. Collins is also President of Mayfair Properties, LLC. McAllen, Texas, involved in real estate, oil and gas, agri-business and investments. Prior to this he was Corporate Secretary and Assistant Vice President, Sunshine Mining Corporation, Dallas, Texas, a Corporation with interests in silver, mining, oil and gas and manufacturing. Mr. Collins serves on the Board of Directors of several Corporations and Institutions, and was previously on the Board of Bushmills Energy Corp. He achieved an MBA in Finance, Accounting and Real Estate from Southern Methodist University, Dallas, Texas.

JULIAN McINTYRE

Mr. McIntyre is the founder and principal of McIntyre Partners and former founder and principal of Gateway Communications Group.

ALLAN BEZANSON *

Having served as Interim President of Range Resources since 2012, Mr. Bezanson has been in the energy industry for a number of years. He has been Managing Director of Nowsco BV, President and Partner of Oballan Capital and Osprey Capital Partners. He has also served on the Boards of Directors of Bluewave Energy, Hawkstone Energy Corp, Brilliant Resources Inc, iLOOKABOUT Corp. and Longford Energy Inc

* Member of Audit Committee

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CORPORATE OFFICERS
Charles V. Selby
Executive Chairman and Chief Executive Officer

Donald E. Foulkes
President

Donald L. Jackson
Executive Vice-President and Chief Operating Officer

Michael P. McLellan
Interim Vice-President of Corporate Finance and interim Chief Financial Officer

SENIOR TEAM MEMBERS
Dale Stoodley, MT Operations Manager

LEGAL COUNSEL
Bennett Jones LLP
Calgary, Alberta

BANKERS
National Bank of Canada
Calgary, Alberta

AUDITORS
Collins Barrow Calgary LLP
Calgary, Alberta

EVALUATION ENGINEERS
GLJ Petroleum Consultants Ltd.
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT
Inquiries regarding changes of address, registered shareholdings, stock transfers or lost certificates should be directed to:

Computershare Trust Company of Canada
Attention: Stock Transfer Department
630, 530-8th Avenue SW
Calgary, Alberta T2P 3S8
Tel: 403.267.6555
Fax: 403.267.6529

STOCK EXCHANGE
The TSX Venture Exchange, Symbol: MTZ

VOLUME REPORTING
Where volumes are reported in barrels of oil equivalent, gas is converted to oil at six thousand cubic feet per barrel, unless stated otherwise.

FINANCIAL REPORTING
All amounts are in Canadian dollars, unless otherwise stated. Montana Exploration's fiscal year-end is December 31.