FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

First Mountain Exploration Ltd. ("First Mountain" or the "Company")
1050, 521 - 3 Avenue SW
Calgary, Alberta
T2P 3T3

2. Date of Material Change

October 19, 2012

3. News Release

A news release disclosing in detail the material summarized in this material change report was issued by First Mountain on October 22, 2012 and disseminated through the facilities of a recognized news service and would have been received by the securities commissions where First Mountain is a reporting issuer in the normal course of its dissemination.

4. Summary of Material Change

On October 22, 2012 First Mountain announced that it had signed a definitive purchase and sale agreement (the "Agreement") to sell the Company's interest in the Faust area of Alberta to CaiTerra International Energy Corporation ("CaiTerra") (TSX Venture: CTI).

5. Full Description of Material Change

5.1 Full Description of Material Change

On October 22, 2012, First Mountain announced that it had signed the Agreement with CaiTerra to sell the Company's interest in the Faust area of Alberta. The sale price for the Faust assets is approximately $2.5 million. CaiTerra has provided the Company with a deposit of $250,000 under the terms of the Agreement. The deposit may be forfeited by CaiTerra in the event that the sale does not occur due to a breach by CaiTerra of its obligations under the Agreement.

Subject to receipt of all regulatory approvals, the sale is expected to close before December 21, 2012, but in any event no later than December 31, 2012, or such later date as CaiTerra and the Company agree. The sale will require the approval of the shareholders of the Company, which approval shall be sought at the annual and special meeting of the shareholders of the Company, to be held on December 14, 2012 (the "Meeting"). The transaction also constitutes a "Reviewable Disposition" within the meaning of Policy 5.3 of the TSX Venture Exchange.

First Mountain intends to use the proceeds from the disposition to pursue new opportunities that diversify the Company's asset base and add future value which could include the purchase of assets or a corporate transaction.

Further information regarding the transaction will be contained in an information circular that the Company will prepare, file and mail to the shareholders of First Mountain in connection with the

Meeting. All shareholders are urged to read the information circular once it becomes available as it will contain additional important information concerning the sale transaction.

Details regarding the terms of the transaction are set out in the purchase and sale agreement which will be filed on the Company's profile on SEDAR at www.sedar.com

Cautionary Statements

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

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this report.

The transaction is subject to a number of conditions, including, without limitation, approval of the Exchange and the approval of the Company's shareholders. The transaction cannot close until all required approvals have been obtained. There can be no assurance that the transaction will be completed as proposed, or at all.

Investors are cautioned that, except as disclosed in the information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. The TSX Venture Exchange Inc. has in no way passed on the merits of the proposed transaction and has neither approved nor disapproved the contents of this report.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) Or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For further information, contact William Ambrose, President, Chief Executive Officer and Director of First Mountain, by telephone, at (403) 453-2266.

9. Date of Report

October 24, 2012

A Note Regarding Forward Looking Information

This report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this report contains forward looking statements and information concerning the anticipated closing date of the sale transaction, the date and timing for the shareholder meeting held in connection with the sale transaction and First

Mountain's plans to negotiate the sale of certain of it's assets and a corporate transaction. The Company cautions that there are no assurances or guarantees that the negotiations will result in a transaction or sale of assets.

Although First Mountain believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because First Mountain can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to reserves, resources, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to tax laws, royalties and environmental regulations, actual production from the acquired assets may be greater or less than estimates; failure to obtain the necessary regulatory approval, stock exchange and other regulatory approvals on the timelines planned.. Management has included the above summary of assumptions and risks related to forward looking information provided in this report in order to provide security holders with a more complete perspective on First Mountain's future operations and such information may not be appropriate for other purposes.

The forward-looking statements and information contained in this report are made as of the date hereof and First Mountain undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.