FIRST MOUNTAIN EXPLORATION INC.

Condensed Interim Financial Statements

September 30, 2015

(Unaudited)

Notice of No Auditor Review

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), the condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

FIRST MOUNTAIN EXPLORATION INC.

CONDENDSED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

In Canadian Dollars	**September 30, 2015** **$**	**December 31, 2014** **$**
Assets		
Current		
Cash and cash equivalents	472,084	882,011
Accounts receivable	36,029	100,460
Prepaid expenses and deposits	250,617	38,196
	758,730	1,020,667
Exploration and evaluation *(Note 5)*	27,320	27,320
Property, plant and equipment *(Note 6)*	857,957	793,258
Total assets	1,644,007	1,841,245
Liabilities		
Current		
Accounts payable and accrued liabilities	382,686	329,698
Decommissioning obligations *(Note 7)*	390,815	378,111
Total liabilities	773,501	707,809
Equity		
Share capital *(Note 8)*	12,320,111	12,320,111
Contributed surplus	1,470,147	1,443,602
Deficit	(12,919,752)	(12,630,277)
Total equity	870,506	1,133,436
Total liabilities and equity	1,644,007	1,841,245

Going Concern *(Note 2)*
Commitments *(Note 12)*

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

FIRST MOUNTAIN EXPLORATION INC.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)

In Canadian Dollars	Three Months Ended September 30 2015 $	2014 $	Nine Months Ended September 30 2015 $	2014 $
Oil and gas sales	29,144	151,139	70,833	526,391
Royalties	(2,744)	(1,443)	(6,609)	(28,231)
Revenue, net of royalties	26,400	149,696	64,224	498,160
Expenses				
Operating expenses	51,001	131,977	101,163	366,438
Transportation	1,628	26,871	8,619	62,769
Depletion and depreciation	4,480	11,078	11,405	1,372,142
General and administrative	68,112	101,386	193,263	365,963
Share-based compensation *(Note 9)*	8,348	20,957	26,545	56,275
	133,569	292,269	340,995	2,223,587
Loss before other income and expenses and taxes	107,169	142,573	276,771	1,725,427
Other income and expenses				
Gain on acquisition	-	-	-	(44,826)
Finance income - interest expense	-	2,777	-	2,762
Finance income - interest income	-	-	-	(1,386)
Finance costs - accretion on decommissioning obligations	(268)	6,584	12,704	11,828
	(268)	9,361	12,704	(31,622)
Net loss and comprehensive loss	106,901	151,934	289,475	1,693,805
Loss per share *(Note 8)*				
Basic	$0.00	$0.01	$0.09	$0.10
Diluted	$0.00	$0.01	$0.09	$0.10

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

FIRST MOUNTAIN EXPLORATION INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(unaudited)

In Canadian Dollars	**Share Capital** $	**Warrants** $	**Contributed Surplus** $	**Deficit** $	**Total Equity** $
Balance at December 31, 2013	11,591,349	702,638	727,511	(10,720,272)	2,301,226
Share based payments	-	(702,638)	758,913	-	56,275
Loss and comprehensive loss	-	-	-	(1,693,805)	(1,693,805)
Balance at September 30, 2014	11,591,349	-	1,486,424	(12,414,077)	663,696
Balance at December 31, 2014	12,320,111	-	1,443,602	(12,630,277)	1,133,436
Share based payments	-	-	26,545	-	26,545
Loss and comprehensive loss	-	-	-	(289,475)	(289,475)
Balance at September 30, 2015	12,320,111	-	1,470,147	(12,919,752)	870,506

FIRST MOUNTAIN EXPLORATION INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	**2014**	**2015**	**2014**
In Canadian Dollars	**$**	**$**	**$**	**$**
Operating activities				
Loss for the period	(106,901)	(151,934)	(289,475)	(1,693,805)
Adjustments for:				
Depletion and depreciation	4,480	11,078	11,405	1,372,142
Gain on acquisition of property	-	-	-	(44,826)
Share-based compensation	8,348	20,957	26,545	56,275
Accretion	(269)	6,584	12,704	11,828
Changes in non-cash working capital *(Note 11)*	16,922	(312,795)	(95,002)	(276,750)
	(77,420)	(426,110)	(333,823)	(575,136)
Investing activities				
Expenditures – property, plant and equipment	-	-	(76,104)	(496,394)
Proceeds on disposition	-	510,000	-	510,000
Changes in non-cash working capital *(Note 11)*	-	10,377	-	(1,061,962)
	-	520,377	(76,104)	(1,048,356)
Financing activities				
Issuance (repayment) of long term debt	-	(100,000)	-	-
	-	100,000	-	-
Decrease in cash and cash equivalents	(77,420)	(5,733)	(409,927)	(1,623,493)
Cash and cash equivalents, beginning of period	549,504	187,842	882,011	1,805,601
Cash and cash equivalents, end of period	472,084	182,109	472,084	182,109

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

1. Reporting Entity

First Mountain Exploration Inc. ("First Mountain" or the "Company") is a publicly traded company engaged in the exploration for and the acquisition, development and production of oil and natural gas reserves in western Canada. The Company was incorporated on December 10, 2010. The Company's head office address is located at 1000, 640 –8th Avenue SW Calgary, Alberta, Canada T2P 1G7.

2. Going Concern

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. The Company had limited production to date and has exploration, development and acquisition plans that may require the raising of capital. The recoverability of the Company's properties is dependent upon ultimately achieving commercial production and realization.

During the three months ended September 30, 2015, the Company incurred a net loss of $106,901 and used $ 94,342 of cash flow in its operating activities. At September 30, 2015 the Company had working capital of $ 376,044 which is not considered sufficient to fund planned expenditures during the upcoming year if the Company continues exploration and development activities. As a result, this condition raises significant doubt related to the Company's ability to continue as a going concern.

Management believes that the going concern assumption is appropriate for these condensed interim financial statements. Management believes that the Company has sufficient funds to meet its obligations and its ongoing administrative expenses and that the Company has or will be able to obtain financing either through the issuance of shares, debt or the sale of assets to fund ongoing exploration and development activities. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these condensed interim financial statements would require adjustments to the amounts and classifications of assets and liabilities and these adjustments could be significant.

3. Basis of Measurement

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014.

The condensed interim financial statements were authorized for issue by the Board of Directors on November 17, 2015.

Basis Measurement

These condensed interim financial statements have been prepared on the historical cost basis except where noted in the accounting policies.

Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency, the currency of the primary economic environment in which the Company operates.

Use of judgments and estimates

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Actual results may differ from these estimates.

Significant judgments, estimates and assumptions made by management in these condensed interim financial statements are outlined in note 3 of the December 31, 2014 annual financial statements.

4. Significant Accounting Policies

These condensed interim financial statements have been prepared following the same accounting policies and methods of computation as described in note 4 of the Company's annual financial statements for the year ended December 31, 2014, except as described below. The disclosures provided below are incremental to those included with the annual financial statements and certain disclosures, which are normally required to be included in the notes to the annual financial statements, have been condensed or omitted.

5. Exploration and Evaluation Assets:

	2015 $	2014 $
Balance, beginning of period	27,320	-
Property acquisition	-	27,320
Balance, end of period	27,320	27,320

Exploration and evaluation assets consisted of First Mountain's exploration projects for which the technical feasibility or commercial viability had yet to be determined. At the time sufficient information became available to determine whether the project was technically feasible or commercially viable, which is the point at which proved and/or probable reserves were discovered, the costs were transferred to property, plant and equipment.

6. Property, Plant and Equipment

	Development & production assets $	Office furniture & equipment $	Total $
Cost:			
Balance at December 31, 2013	3,166,874	14,673	3,181,547
Property acquisitions	52,184	-	52,184
Additions	555,027	-	555,027
Dispositions	(1,986,316)	-	(1,986,316)
Balance at December 31, 2014	1,787,769	14,673	1,802,442
Additions	76,104	-	76,104
Balance at September 30, 2015	1,863,873	14,673	1,878,546
Depletion, depreciation and amortization:			
Balance at December 31, 2013	1,027,246	8,228	1,035,474
Dispositions	(106,616)	-	(106,616)
Depletion and depreciation for the year	78,246	2,080	80,326
Balance at December 31, 2014	998,876	10,308	1,009,184
Depletion and depreciation for the period	9,845	1,560	11,405
Balance at September 30, 2015	1,008,721	11,868	1,020,589
Carrying amounts:			
At December 31, 2014	788,893	4,365	793,258
At September 30, 2015	855,152	2,805	857,957

At September 30, 2015 no future development costs were included in costs subject to depletion and an estimated $128,849 of salvage value on production equipment was excluded from the costs subject to depletion (December 31, 2014 $10,000 and $144,787 respectively).

7. Decommissioning Obligations

	September 30, 2015 $	December 31, 2014 $
Balance, beginning of year	378,111	457,155
Property acquisitions	-	7,358
Dispositions	-	(128,765)
Revisions	560	28,387
Accretion	12,144	13,976
Balance, end of period	390,815	378,111

The Company's decommissioning obligations are the result from its ownership interest in oil and natural gas well sites. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells, estimated costs to reclaim and abandon these wells and the estimated timing of costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be $390,815 as at September 30, 2015 (December 31, 2014 - $378,111) based on an undiscounted total future liability of $399,224 (December 31, 2014 - $399,224). The weighted average time in which these payments are expected to be made is approximately 9.7 years. The discount factor, being the risk-free rate related to the liability, is 2.21% and the inflation rate is 2% per annum.

8. Share Capital and Warrants

Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares.

The holders of common shares are entitled to receive dividends which may be declared from time to time, and are entitled to one vote per share at meetings of the Company. The Company does not anticipate paying dividends.

Issued and outstanding

	Number	Amount $
Common Shares		
Balance at December 31, 2013	16,740,613	11,591,349
Issued for cash -private placement offering – October 31, 2014	15,100,000	755,000
Share issue costs, net of tax of $nil	-	(26,238)
Balance at December 31, 2014 and September 30, 2015	31,840,613	12,320,111

Per share amounts

Basic per share amounts are calculated using the weighted average number of common shares outstanding during the year. Diluted per share amounts are calculated based on the treasury stock method, which assumes that any proceeds obtained on the exercise of options would be used to purchase common shares at the average price during the year. The weighted average number of shares outstanding is then adjusted by this amount.

Three and nine months ended September 30,	**2015**	**2014**
Weighted average shares outstanding (basic)	31,840,613	16,740,613
Dilutive securities	-	-
Weighted average shares outstanding (diluted)	31,840,613	16,740,613

The calculation of the diluted net loss per share for the three months ended June 30, 2015 and 2014 excludes all options, warrants and agent options as the impact would be anti-dilutive due to the net loss realized.

9. Share Based Payments

Stock option plan

The Company has a stock option plan, under which the Board of Directors may grant options to its directors, officers, employees and consultants to purchase common shares from the Company. Vesting is determined by the Company's Board of Directors. The exercise price of each stock option granted is determined as the closing market price of the common shares on the TSX Venture Exchange at the time of the grant.

Stock options outstanding	**Weighted average exercise price**	**Number of options**
Balance at December 31, 2013	$ 0.53	1,390,000
Granted	0.05	2,470,000
Forfeited	0.59	(840,000)
Balance at December 31, 2014	$ 0.21	3,020,000
Forfeited	0.67	(130,000)
Balance at September 30, 2015	$ 0.10	2,890,000
Exercisable at September 30, 2015	$ 0.16	1,136,667

The following table summarizes information about stock options outstanding at September 30, 2015:

Number of stock options outstanding	Exercise price	Weighted Average Remaining Contractual Life (years)	Exercisable options	Exercise price
30,000	$ 0.50	0.8	30,000	$ 0.50
40,000	1.50	1.2	40,000	1.50
140,000	0.28	2.0	93,333	0.28
50,000	0.25	1.4	50,000	0.25
160,000	0.23	2.9	106,667	0.23
2,470,000	0.05	4.0	816,667	0.05
2,890,000	$ 0.10	3.5	1,136,667	$ 0.16

There were no stock options granted during the three month periods ended September 30, 2015 or 2014.

Share-based compensation of $8,348 was expensed during the three months ended September 30, 2015 (2014 - $20,957).

10. Financial Instruments and Risk Management

At September 30, 2015 and December 31, 2014, cash and cash equivalents consisted of cash held with financial institutions.

The estimated carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximates the fair values due to the short-term maturity of these instruments.

11. Supplemental Cash Flow Information

Changes in non-cash working capital is comprised of:

	Three months ended September 30,		Nine months ended September 30,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Source (use) of cash:				
Accounts receivable	77,088	(376,908)	64,432	(466,391)
Prepaid expenses and deposits	(218,259)	(1,850)	(22,421)	(9,014)
Accounts payable and accrued liabilities	158,093	76,340	(137,013)	(863,307)
	16,922	(302,418)	(95,002)	(1,338,712)
Related to operating activities	16,922	(312,795)	(95,002)	(276,750)
Related to investing activities	-	10,377	-	(1,061,962)
	16,922	(302,418)	(95,002)	(1,338,712)

12. Commitments

The Company is committed to payments at September 30, 2015 as follows:

	Office lease $
2015	16,620
2016	11,081
	27,701