

MONTANA GOLD MINING COMPANY INC.

NEWS RELEASE

June 7, 2012

CNSX SYMBOL: MGM

Montana Gold Signs Option on Montana and Nevada Gold Projects; Proposes to Distribute Subsidiary to Shareholders

London, Ontario – Montana Gold Mining Company Inc. (“MGM” or the “Company”) (CNSX Symbol: MGM) has signed an option and joint venture agreement (the “Option Agreement”) with its wholly owned subsidiary Celerity Mineral Corporation (“Celerity”), whereby Celerity can earn a 50% working interest in the Company's Montana and Nevada gold projects by meeting certain conditions. MGM also proposes to distribute the common shares of Celerity to the MGM shareholders proportional to their interest in MGM. Both the Option Agreement and the proposed distribution are subject to shareholder approval at the June 28, 2012 Annual and Special Meeting of Company Shareholders (the “Shareholders Meeting”).

The Option Agreement requires Celerity to pay to MGM the amount of \$668,112 to be satisfied through the issuance of 13,362,240 common Celerity shares at \$0.05 each, and to spend \$1,000,000 in exploration on the Silver Bell-St. Lawrence gold project in Montana and the Golden Trail gold project in Nevada (the “Projects”) by May, 2017, for a total of \$1,668,112, to earn a 50% interest in the Projects. The Company presently holds a 100% working interest in the Projects and has spent the same amount of \$1,668,112 on the Projects to the year ended December 31, 2011.

The Company proposes to distribute the 13,362,240 Celerity shares to the MGM shareholders on a proportional basis. This distribution would either be by a dividend-in-kind or a distribution by way of return of paid up or stated capital equal to the fair market value of the assets so distributed as determined by the directors of the Company. The distribution and Option Agreement are subject to shareholder approval and if received, it is anticipated that Celerity would conduct a rights offering or private placement financing, file a Prospectus to qualify the financing and the distribution of Celerity shares in appropriate Canadian jurisdictions, and seek a listing on a recognized stock exchange.

More particulars of the proposed transactions can be found in the Company's Management Information Circular being mailed to shareholders and filed on

SEDAR and the Company's website in connection with the Shareholders Meeting.

Further technical information and reports on the Projects are available on the Company website at <http://www.montanagoldmining.com> or on SEDAR at <http://www.sedar.com>.

For further information please contact:

Edward (Ted) Ellwood, MBA
President & CEO
1-519-697-2313

Montana Gold Mining Company Inc. is a reporting issuer in good standing in the Province of Ontario whose common shares are listed on CNSX (Symbol: MGM). There are 27,381,007 common shares issued and outstanding in the capital of the Company.

CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This news release contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate", "propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook. Such statements include, among others, those concerning the Company's ability to receive shareholder approval for the Option Agreement and the distribution of Celerity shares, the filing and receipt of a Prospectus by Celerity, the completion of a rights offering financing by Celerity or the listing of Celerity shares on a recognized stock exchange.

Such forward-looking information or statements are based on a number of risks, uncertainties and assumptions which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Assumptions have been made regarding, among other things, receipt of regulatory acceptance of managements reorganizational plans, management's expectations regarding its ability to initiate and complete future exploration work as expected. Actual results could differ materially due to a number of factors, including, without limitation, operational risks in the completion of the Company's future exploration work, technical, safety or regulatory issues.

Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law.