

MONTANA GOLD MINING COMPANY INC.

NEWS RELEASE

May 3, 2012

CNSX SYMBOL: MGM

Montana Gold Completes Financing; Updates on Montana & Nevada Projects

London, Ontario – Montana Gold Mining Company Inc. (“MGM” or the “Company”) (CNSX Symbol: MGM) announces that it: has completed a \$170,000 private placement financing; granted incentive stock options; made a final cash payment to secure 100% ownership of the Silver Bell-St. Lawrence Gold Project, Montana; resumed activity on the Golden Trail Project, Nevada; and commissioned new NI 43-101 technical reports on both 100% owned gold exploration projects.

A non-brokered private placement financing totaling \$170,000 was recently completed through the issuance of Units priced at \$0.05 per Unit. Each Unit was comprised of one common share and one warrant to purchase an additional common share at \$0.10 during the first year and at \$0.20 during the second year.

A total of 2,600,000 incentive stock options were recently granted to directors, officers and a consultant to the Company. The options are exercisable at \$0.10 per share for a period of five years.

On the Silver Bell-St. Lawrence Gold Project in Montana, the Company recently made a final US \$85,000 cash payment to the vendor, thus securing a 100% ownership in the project subject to a 2% NSR. The Company completed geological mapping, geochemical and geophysical surveying programs in the fall of 2011, as well as additional claim staking along strike. An updated NI 43-101 compliant technical report has recently been commissioned.

The Golden Trail Project is 100% owned by the Company and is located in Elko County, Nevada, one of the most prolific gold regions in North America. The predecessor company to MGM (Gold Reef International Inc.) spent some \$1.3 million in exploration between 2004 and 2007 on the Golden Trail but did not complete the recommendations of a NI 43-101 report published on SEDAR in 2007. Following a recent review by the Company, it was decided to resume activity on this project and a new NI 43-101 compliant technical report has recently been commissioned.

A new Corporate Presentation recently uploaded to the Company website provides additional information about the Montana and Nevada gold exploration projects at <http://www.montanagoldmining.com>. The Company's Facebook site also provides information that may be of interest to shareholders at <http://www.facebook.com/montanagoldmining> .

Further announcements will be made when each of the recently commissioned NI 43-101 technical reports have been completed and filed on SEDAR.

For further information please contact:

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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 complete programs of exploration, updated NI 43-101 technical reports, and provide ongoing shareholder information.

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, 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.