

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-KSB**

(Mark One)

☒ Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended **December 31, 2006**.

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (*No fee required*) for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-29321**

**MONTANA MINING CORP.**

(Name of Small Business Issuer in Its Charter)

**Nevada**

(State or Other Jurisdiction of Incorporation or  
Organization)

**87-0643635**

(I.R.S. Employer Identification No.)

**1403 East 900 South, Salt Lake City, Utah 84105**

(Address of Principal Executive Offices) (Zip Code)

**(801) 582-9609**

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(g) of the Exchange Act:

<u>Title of Each Class</u>	<u>Name of each Exchange on Which Registered</u>
Common Stock (\$0.001 Par Value)	None

Check whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No \_\_\_\_

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and if no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB ☐.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes X No \_\_\_\_\_

The registrant's net sales for the year ended December 31, 2006, were \$0.

The aggregate market value of the registrant's common stock, \$0.001 par value (the only class of voting stock), held by non-affiliates was approximately \$1,371,096 based on the average closing bid and asked prices for the common stock on March 22, 2007.

At March 22, 2007, the number of shares outstanding of the registrant's common stock, \$0.001 par value (the only class of voting stock), was 6,312,900.

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## **PART I**

### **ITEM 1. DESCRIPTION OF BUSINESS**

#### **General**

Montana Mining Corp. was incorporated in Nevada on December 7, 1999, as “Aswan Investments, Inc.” to engage in any legal undertaking. On July 17, 2002, the corporation’s name was changed to “Montana Mining Corp.” to reflect the decision of management to enter into mineral exploration activities. The terms “Company,” “we,” “our”, and “us”, as used herein refer to Montana Mining Corp. and its predecessor, unless the context indicates otherwise.

The Company held an option to explore, identify and develop a gold, silver and other precious metals property located in the vicinity of the city of Helena, Montana, known as the Dobler Mine property. The Dobler Mine property has a history of bulk tonnage sampling of precious metals. Based upon the information available from prior exploration and its own exploration efforts, we believed that the possibility existed of identifying economically recoverable mineralization on the Dobler Mine property. However, after completing the first and second phases of an exploration program the Company was unable to indicate conclusively the nature of such mineralization. We abandoned a purchase option and all exploration efforts on the Dobler Mine in January of 2005.

The Company is now considering other business opportunities either through merger or acquisition that might create value for its shareholders. We have no day-to-day operations. Our sole officer and director devotes limited time and attention to the affairs of the Company.

#### **Selection of a Business.**

Management has adopted a conservative policy of seeking opportunities that it considers to be of exceptional quality. Therefore, we may have to wait some time before consummating a suitable transaction. Management recognizes that the higher the standards it imposes upon us, the greater may be its competitive disadvantage when vying with other acquiring interests or entities.

The Company does not intend to restrict its consideration to any particular business or industry segment, though management intends to continue its focus on opportunities related to natural resources. Due to our lack of financial resources, the scope and number of suitable business ventures is limited. We are therefore most likely to participate in a single business venture. Accordingly, the Company will not be able to diversify and will be limited to one merger or acquisition. The lack of diversification will prevent us from offsetting losses from one business opportunity against profits from another.

The decision to participate in a specific business opportunity will be made upon management's analysis of the quality of the opportunity’s management and personnel, the anticipated acceptability of products or marketing concepts, the merit of technological changes and numerous other factors which are difficult, if not impossible, to analyze through the application of any objective criteria. Further, it is anticipated that the historical operations of a specific venture may not necessarily be indicative of the potential for the future because of the necessity to substantially shift a marketing approach, expand operations, change product emphasis, change or substantially augment management, or make other changes. The Company will be partially dependent upon the management of any given business opportunity to identify such problems and to implement, or be primarily responsible for the implementation of required changes.

Since we may participate in a business opportunity with a newly organized business or with a business which is entering a new phase of growth, it should be emphasized that the Company may incur risk due to the failure of the target's management to have proven its abilities or effectiveness, or the failure to establish a market for the target's products or services, or the failure to realize profits.

The Company will not acquire or merge with any company for which audited financial statements cannot be obtained. Management anticipates that any opportunity in which we participate will present certain risks. Many of these risks cannot be adequately identified prior to selection of a specific opportunity. Our shareholders must therefore depend on the ability of management to identify and evaluate such risks. Further, in the case of some of the opportunities available to us, it may be anticipated that some of such opportunities are yet to develop as going concerns or that some of such opportunities are in the development stage in that same have not generated significant revenues from principal business activities prior to our participation.

### **Acquisition of Business.**

Implementation of a structure for any particular business acquisition may involve a merger, consolidation, reorganization, joint venture, franchise or licensing agreement with another corporation or entity. The Company may also purchase stock or assets of an existing business. On the completion of a transaction, it is possible that present management and shareholders of the Company would not remain in control of the Company. Further, our sole officer and director may, as part of the terms of any transaction, resign, to be replaced by new officers and directors without a vote of our shareholders.

We anticipate that any securities issued in any such reorganization would be issued in reliance on exemptions from registration under applicable federal and state securities laws. However, in certain circumstances, as a negotiated element of any transaction, the Company may agree to register securities either at the time a transaction is consummated, under certain conditions, or at a specified time thereafter. The issuance of substantial additional securities and their potential sale into any trading market may have a depressive effect on such market.

While the actual terms of a transaction to which the Company may be a party cannot be predicted, it may be expected that the parties to a business transaction will find it desirable to avoid the creation of a taxable event and thereby structure the acquisition in a so called "tax-free" reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). In order to obtain tax-free treatment under the Code, it may be necessary for the owners of the acquired business to own 80% or more of the voting stock of the surviving entity. In such event, our shareholders would retain less than 20% of the issued and outstanding shares of the surviving entity, which could result in significant dilution in the equity of such shareholders.

Our due diligence process will require that management meet personally with the personnel involved in any given transaction, visit and inspect material facilities, obtain independent analysis or verification of the information provided, check references for management and key persons, and take other reasonable investigative measures, to the extent of our limited financial resources and management expertise.

The manner in which we participate in an opportunity will depend on the nature of the opportunity, the respective needs and desires of the Company and other parties, the management of the opportunity, and the our relative negotiating strengths. Negotiations that involve mergers or acquisitions will focus on the percentage of the Company that the target company shareholders would acquire in exchange for their shareholdings in the target company. Depending upon, among other things, the target company's assets and liabilities, our shareholders will in all likelihood hold a lesser percentage ownership interest in the Company following any merger or acquisition. The percentage ownership may be subject to significant reduction in the event the Company acquires a target company with substantial assets. Any merger or acquisition effected by the Company can be expected to have a significant dilutive effect on the percentage of shares held by our current shareholders.

### **Operation of Business After Acquisition.**

The Company's operation following its merger or acquisition of a business will be dependent on the nature of the business and the interest acquired. We are unable to determine at this time whether the Company will be in control of the business or whether present management will be in control of the Company following the acquisition. We may expect that any future business will present various challenges that cannot be predicted at the present time.

### **Government Regulation.**

The Company cannot anticipate the government regulations, if any, to which we may be subject until it has acquired an interest in a business. The use of assets to conduct a business that the Company may acquire could subject it to environmental, public health and safety, land use, trade, or other governmental regulations and state or local taxation. Our selection of a business in which to acquire an interest will include an effort to ascertain, to the extent of the limited resources of the Company, the effects of any government regulation on the prospective business of the Company. However, in certain circumstances, such as the acquisition of an interest in a new or start-up business activity, it may not be possible to predict with any degree of accuracy the impact of government regulation.

### **Competition.**

We will be involved in intense competition with other business entities, many of which will have a competitive edge over us by virtue of their stronger financial resources and prior experience in business. The Company can provide no assurance that it will be successful in obtaining a suitable business opportunity.

### **Employees**

The Company is a development stage company and currently has no employees. Ruairidh Campbell, our sole officer and director, manages the Company. The Company looks to Mr. Campbell for his entrepreneurial skills and talents. Management uses consultants, attorneys and accountants as necessary and does not plan to engage any full-time employees in the near future.

### **Risks Related to Our Business**

Our future operating results are highly uncertain. Before deciding to invest in us or to maintain or increase your investment, you should carefully consider the risks described below, in addition to the other information contained in this annual report. If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed. In that event, the market price for our common stock could decline and you may lose all or part of your investment.

*We have a history of significant operating losses and such losses may continue in the future.*

Since our inception in 1999, our expenses have substantially exceeded our income, resulting in continuing losses and an accumulated deficit of \$145,788 at December 31, 2006. During fiscal 2006, we recorded a net loss of \$24,265. The Company has never realized revenue from operations. We will continue to incur operating losses as we maintain our search for a suitable business opportunity and satisfy our ongoing disclosure requirements with the Securities and Exchange Commission ("Commission"). Our only expectation of future profitability is dependent upon our ability to acquire a revenue producing business opportunity, which acquisition can in no way be assured. Therefore, we may never be able to achieve profitability.

*The Company's limited financial resources cast severe doubt on our ability to acquire a profitable business opportunity.*

The Company's future operation is dependent upon the acquisition of a profitable business opportunity. However, the prospect of such an acquisition is doubtful due to the Company's limited financial resources. Since we have no current business opportunity, the Company is not in a position to improve this financial condition through debt or equity offerings. Therefore, this limitation may act as a deterrent in future negotiations with prospective acquisition candidates. Should we be unable to acquire a profitable business opportunity the Company will, in all likelihood, be forced to cease operations.

*We are dependent upon a key person, who would be difficult to replace.*

Our continued operation will be largely dependent upon the efforts of Ruairidh Campbell, our sole officer and director. We do not maintain key-person insurance on Mr. Campbell. Our future success also will depend in large part upon the Company's ability to identify, attract and retain other highly qualified managerial, technical and sales and marketing personnel. Competition for these individuals is intense. The loss of the services of Mr. Campbell, the inability to identify, attract or retain qualified personnel in the future or delays in hiring qualified personnel could make it more difficult for us to maintain our operations and meet key objectives such as the acquisition of a suitable business opportunity.

*The market for our stock is limited and our stock price may be volatile.*

The market for our common stock has been limited due to low trading volume and the small number of brokerage firms acting as market makers. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day.

*We may incur significant expenses as a result of being quoted on the Over the Counter Bulletin Board, which may negatively impact our financial performance.*

We may incur significant legal, accounting and other expenses as a result of being listed on the Over the Counter Bulletin Board. The Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission has required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002 as discussed in the following risk factor, may substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. As a result, there may be a substantial increase in legal, accounting and certain other expenses in the future, which would negatively impact our financial performance and could have a material adverse effect on our results of operations and financial condition.

*Our internal controls over financial reporting may not be considered effective, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.*

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, beginning with our annual report for the year ending December 31, 2008, we may be required to furnish a report by our management on our internal controls over financial reporting. Such report will contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. The report will also contain a statement that our independent registered public accounting firm has issued an attestation report on management's assessment of internal controls. If we are unable to assert that our internal controls are effective as of December 31, 2008, or if our independent registered public accounting firm is unable to attest that our management's report is fairly stated or they are unable to express an opinion on our management's evaluation or on the effectiveness of our internal controls, investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

### **Reports to Security Holders**

The Company's annual report contains audited financial statements. The Company is not required to deliver an annual report to security holders and will not voluntarily deliver a copy to security holders unless a request is made for such delivery. The Company files all of its required information with the Commission.

The public may read and copy any materials that we file with the Commission at the Commission's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The statements and forms we file with the Commission have been filed electronically and are available for viewing or copy on the Internet site maintained by the Commission that contains reports, proxy, information statements, and other information regarding registrants that file electronically with the Commission. The Internet address for this site can be found at <http://www.sec.gov>.

### **ITEM 2. DESCRIPTION OF PROPERTY**

The Company currently maintains its offices at 1403 East 900 South, Salt Lake City, Utah 84105. Ruairidh Campbell, our sole officer, director and a substantial shareholder of the Company, owns this office space. The Company pays no rent for the use of this office. The Company does not believe that it will need to maintain an office at any time in the foreseeable future in order to carry out the plan of operation described herein.

### **ITEM 3. LEGAL PROCEEDINGS**

The Company is currently not a party to any pending legal proceeding

### **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

No matters were submitted to a vote of security holders during the fourth quarter of the period covered by this report.

## PART II

### ITEM 5. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND OTHER SHAREHOLDER MATTERS

The Company's common stock is quoted on the Over the Counter Bulletin Board, a service maintained by the National Association of Securities Dealers, Inc. under the symbol, "MMGC". Trading in the common stock in the over-the-counter market has been limited and sporadic and the quotations set forth below are not necessarily indicative of actual market conditions. Further, these prices reflect inter-dealer prices without retail mark-up, mark-down, or commission, and may not necessarily reflect actual transactions. The following table sets forth for the periods indicated the high and low bid prices for the common stock as reported each quarterly period within the last two fiscal years.

<b>Year</b>	<b><u>Quarter Ended</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
<b><u>2006</u></b>	December 31	\$0.51	\$0.41
	September 30	\$0.41	\$0.35
	June 30	\$0.45	\$0.25
	March 31	\$0.30	\$0.25
<b><u>2005</u></b>	December 31	\$0.40	\$0.26
	September 30	\$0.27	\$0.26
	June 30	\$0.60	\$0.24
	March 31	\$0.52	\$0.30

#### **Record Holders**

As of March 22, 2007, there were approximately 84 shareholders of record holding a total of 6,312,900 shares of common stock. The holders of the common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

#### **Dividends**

The Company has not declared any cash dividends since inception and does not anticipate paying any dividends in the foreseeable future. The payment of dividends is within the discretion of the board of directors and will depend on our earnings, capital requirements, financial condition, and other relevant factors. There are no restrictions that currently limit our ability to pay dividends on its common stock other than those generally imposed by applicable state law.



## **ITEM 6            MANAGEMENT'S PLAN OF OPERATION**

This Management's Plan of Operation and Results of Operations and other parts of this report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can also be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the subsections entitled "Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition" below and the subsection entitled "Risk Factors" above. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. All information presented herein is based on our fiscal year ended December 31, 2006.

### **Plan of Operation**

The Company's plan of operation for the coming year is to identify and acquire a favorable business opportunity. The Company does not plan to limit its options to any particular industry, but will evaluate each opportunity on its merits.

The Company has not yet entered into any agreement, nor does it have any commitment or understanding to enter into or become engaged in any transaction, as of the date of this filing.

### **Results of Operations**

During the twelve month period ended December 31, 2006, the Company's operations were limited to satisfying continuous public disclosure requirements and seeking to identify prospective business opportunities.

We do not expect to receive revenues within the next twelve months of operation or ever, since we have yet to acquire a favorable business opportunity, which opportunity if acquired, may or may not produce revenue.

For the current fiscal year, the Company anticipates incurring a loss as a result of administration expenses, accounting costs, and expenses associated with maintaining its disclosure obligations under the Exchange Act of 1934, as amended ("Exchange Act"). Since we do not anticipate generating any revenues in the near term we will continue to operate at a loss.

### **Net Loss**

For the period from December 7, 1999, to December 31, 2006, the Company recorded an operating loss of \$144,804. The Company's operating loss is attributed to general and administrative expenses which include incorporation costs, offering costs, accounting costs, and costs associated with the preparation of disclosure documentation in connection with registration pursuant to the Exchange Act of 1934. General and administrative expenses also include exploration expenses incurred by consultants, the costs associated with test results, costs directly related to our exploration program and option expenses. We did not generate any revenue during this period.

We expect to continue to operate at a loss through fiscal 2007 and due to the nature of the Company's search for a suitable business opportunity cannot determine whether we will ever generate revenue from operations.

## **Capital Expenditures**

The Company expended no amounts on capital expenditures for the period from December 7, 1999, to December 31, 2006.

## **Capital Resources and Liquidity**

The Company had current assets of \$5,407 and total assets of \$5,407 as of the twelve month period ended December 31, 2006. These assets consist of cash on hand of \$5,407. Net stockholders' deficit in the Company was \$36,406 at December 31, 2006. The Company is in the development stage and, since inception, has experienced significant changes in liquidity, capital resources and shareholders' equity.

Cash flow used in operating activities was \$135,132 for the period from December 7, 1999, to December 31, 2006. Cash was used on accounting, administration, consulting and exploration expenses.

Cash flow provided from financing activities was \$140,539 for the period from December 7, 1999, to December 31, 2006. Financing activities have consisted of sales of the Company's common stock, related and non-related party loans over the period.

The Company's current assets are insufficient to conduct its plan of operation over the next twelve (12) months and it will have to seek debt or equity financing to fund minimum operations. The Company has no current commitments or arrangements with respect to, or immediate sources of funding. Further, no assurances can be given that funding, if needed, would be available or available to the Company on acceptable terms. The Company's shareholders would be the most likely source of new funding in the form of loans or equity placements though none have made any commitment for future investment and the Company has no agreement formal or otherwise. The Company's inability to obtain funding would have a material adverse affect on its plan of operation.

## **Forward Looking Statements and Factors That May Affect Future Results and Financial Condition**

The statements contained in the section titled *Management's Plan of Operations*, with the exception of historical facts, are forward looking statements within the meaning of Section 27A of the Securities Act. A safe-harbor provision may not be applicable to the forward looking statements made in this prospectus because of certain exclusions under Section 27A(b). Forward looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to the Company's future business prospects;
- the ability of the Company to generate revenues to fund future operations;
- the volatility of the stock market and;
- general economic conditions.

We wish to caution readers that the Company's operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated including the factors set forth in the section entitled "Risk Factors" included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than is required by law.

### **Critical Accounting Policies**

In Note 1 to the audited financial statements for the years ended December 31, 2006 and 2005, included in this Form 10-KSB, the Company discusses those accounting policies that are considered to be significant in determining the results of operations and its financial position. The Company believes that the accounting principles utilized by it conform to accounting principles generally accepted in the USA.

The preparation of financial statements requires Company management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, the Company evaluates estimates. The Company bases its estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

### **Recent Accounting Pronouncements**

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments-an amendment of FASB Statements No. 133 and 140", to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" to permit fair value remeasurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "Accounting for the Impairment or Disposal of Long-Lived Assets", to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, with earlier application allowed. This standard is not expected to have a significant effect on the Company's future reported financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". This statement requires all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of Statement No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity's first fiscal year beginning after September 15, 2006. This adoption of this statement is not expected to have a significant effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". The objective of SFAS 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R)". This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for periods ending after November 15, 2006. The Company is currently evaluating the impact of adopting SAB No. 108 but does not expect that it will have a material effect on its financial position and results of operations.

### **Going Concern**

The Company's auditors have expressed an opinion as to the Company's ability to continue as a going concern as a result of an accumulated deficit of \$145,788 as of December 31, 2006. The Company's ability to continue as a going concern is subject to the ability of the Company to realize a profit and /or obtain funding from outside sources. Management's plan to address the Company's ability to continue as a going concern includes: (1) obtaining funding from private placement sources; (2) obtaining additional funding from the sale of the Company's securities; (3) establishing revenues from prospective business opportunities; (4) obtaining loans and grants from financial institutions where possible. Although management believes that it will be able to obtain the necessary funding to allow the Company to remain a going concern through the methods discussed above, there can be no assurances that such methods will prove successful.

### **ITEM 7. FINANCIAL STATEMENTS**

The Company's financial statements for the fiscal year ended December 31, 2006, are attached hereto as pages F-1 through F-11.

MONTANA MINING CORP.  
(A Development Stage Company)

FINANCIAL STATEMENTS

December 31, 2006 and 2005

MONTANA MINING CORP.  
(A Development Stage Company)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors

**MONTANA MINING CORPORATION**

Salt Lake City, Utah

We have audited the accompanying balance sheet of Montana Mining Corporation [*a development stage company*] as of December 31, 2006, and the related statements of operations, stockholders' equity (deficit) and cash flows for the year ended December 31, 2006 and for the period from inception on December 7, 1999 through December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montana Mining Corporation as of December 31, 2006, and the results of its operations and its cash flows for the year ended December 31, 2006 and for the period from inception on December 7, 1999 through December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Montana Mining Corporation will continue as a going concern. As discussed in Note 2 to the financial statements, Montana Mining Corporation has incurred losses since its inception and has not yet established profitable operations. Further, the Company has current liabilities in excess of current assets. These factors raise substantial doubt about the ability of the Company to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/ Pritchett, Siler & Hardy, P.C.

**PRITCHETT, SILER & HARDY, P.C.**

March 1, 2007

Salt Lake City, Utah

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders  
and Board of Directors of  
Montana Mining Corp.

We have audited the accompanying balance sheet of Montana Mining Corp. (a development stage company), as of December 31, 2005 and the related statements of operations, stockholders' equity (deficit), and cash flows for the period from December 7, 1999 (date of inception) to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montana Mining Corp. (a development stage company), as of December 31, 2005, and the results of its operations and its cash flows for the period from December 7, 1999 (date of inception) to December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's revenue generating activities are not in place and the Company has incurred losses since inception. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

JONES SIMKINS, P.C.  
Logan, Utah  
February 3, 2006



MONTANA MINING CORP.  
(A Development Stage Company)  
BALANCE SHEETS  
December 31, 2006 and 2005

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Current assets:		
Cash	\$ <u>5,407</u>	\$ <u>73</u>
Total current assets	\$ <u><u>5,407</u></u>	\$ <u><u>73</u></u>
 <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
Current liabilities:		
Accounts payable	\$ 5,649	4,964
Related party payable	<u>36,164</u>	<u>7,250</u>
Total current liabilities	<u>41,813</u>	<u>12,214</u>
Commitments		
Stockholders' equity deficit:		
Preferred stock, \$.001 par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$.001 par value, 500,000,000 shares authorized, 6,312,900 shares issued and outstanding	6,313	6,313
Additional paid-in capital	103,069	103,069
Deficit accumulated during the exploration stage	<u>(145,788)</u>	<u>(121,523)</u>
Total stockholders' deficit	<u>(36,406)</u>	<u>(12,141)</u>
Total liabilities and stockholders' deficit	\$ <u><u>5,407</u></u>	\$ <u><u>73</u></u>

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

MONTANA MINING CORP.  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS  
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>	<u>Cumulative Amounts</u>
Revenue	\$ -	\$ -	\$ -
General and administrative costs	<u>23,281</u>	<u>28,257</u>	<u>144,804</u>
Loss from operations	(23,281)	(28,257)	(144,804)
Interest expense	<u>984</u>	<u>-</u>	<u>984</u>
Loss before income taxes	(24,265)	(28,257)	(145,788)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	\$ <u><u>(24,265)</u></u>	\$ <u><u>(28,257)</u></u>	\$ <u><u>(145,788)</u></u>
Loss per common share - basic and diluted	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	
Weighted average common shares - basic and diluted	<u><u>6,313,000</u></u>	<u><u>6,313,000</u></u>	

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

MONTANA MINING CORP.  
(A Development Stage Company)  
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)  
December 7, 1999 (Date of Inception) to December 31, 2006

	Preferred Stock		Common Stock		Additional	Deficit Accumulated During the	
	Shares	Amount	Shares	Amount	Paid-in Capital	Exploration Stage	Total
Balance at December 7, 1999 (date of inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock for:							
Cash	-	-	114,500	115	795	-	910
Stock subscription receivable	-	-	93,000	93	372	-	465
Net loss	-	-	-	-	-	(910)	(910)
Balance at December 31, 1999	-	-	207,500	208	1,167	(910)	465
Issuance of common stock for services	-	-	1,001,400	1,001	4,006	-	5,007
Net loss	-	-	-	-	-	(10,131)	(10,131)
Balance at December 31, 2000	-	-	1,208,900	1,209	5,173	(11,041)	(4,659)
Issuance of common stock for cash	-	-	104,000	104	2,896	-	3,000
Net loss	-	-	-	-	-	(3,865)	(3,865)
Balance at December 31, 2001	-	-	1,312,900	1,313	8,069	(14,906)	(5,524)
Issuance of common stock for cash	-	-	5,000,000	5,000	95,000	-	100,000
Net loss	-	-	-	-	-	(21,911)	(21,911)
Balance at December 31, 2002	-	-	6,312,900	6,313	103,069	(36,817)	72,565
Net loss	-	-	-	-	-	(19,405)	(19,405)
Balance at December 31, 2003	-	-	6,312,900	6,313	103,069	(56,222)	53,160
Net loss	-	-	-	-	-	(37,044)	(37,044)
Balance at December 31, 2004	-	-	6,312,900	6,313	103,069	(93,266)	16,116
Net loss	-	-	-	-	-	(28,257)	(28,257)
Balance at December 31, 2005	-	-	6,312,900	6,313	103,069	(121,523)	(12,141)
Net loss	-	-	-	-	-	(24,265)	(24,265)
Balance at December 31, 2006	-	\$ -	6,312,900	\$ 6,313	\$ 103,069	\$ (145,788)	\$ (36,406)

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

MONTANA MINING CORP.  
(A Development Stage Company)  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>	<u>Cumulative Amounts</u>
<u>Cash flows from operating activities:</u>			
Net loss	\$ (24,265)	\$ (28,257)	\$ (145,788)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock compensation expense	-	-	5,007
Decrease in prepaid expenses	-	8,333	-
Increase in accounts payable	<u>685</u>	<u>241</u>	<u>5,649</u>
Net cash used in operating activities	<u>(23,580)</u>	<u>(19,683)</u>	<u>(135,132)</u>
<u>Cash flows from investing activities:</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash flows from financing activities:</u>			
Increase in related party payable	28,914	7,250	36,164
Decrease in stock subscription receivable	-	-	465
Issuance of common stock	<u>-</u>	<u>-</u>	<u>103,910</u>
Net cash provided by financing activities	<u>28,914</u>	<u>7,250</u>	<u>140,539</u>
Net increase (decrease) in cash	5,334	(12,433)	5,407
Cash, beginning of year	<u>73</u>	<u>12,506</u>	<u>-</u>
Cash, end of year	\$ <u><u>5,407</u></u>	\$ <u><u>73</u></u>	\$ <u><u>5,407</u></u>

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

MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Montana Mining Corp. (the Company) was organized under the laws of the State of Nevada on December 7, 1999 (date of inception). The Company is currently in the process of identifying a suitable business opportunity pursuant to acquisition or merger. The Company's operations in 2004 and prior consisted of identifying mining properties and exploring for precious metals. (see Note 2)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Income Taxes

Deferred income taxes are provided in amounts sufficient to give effect to temporary differences between financial and tax reporting, principally related to startup expenses.

Earnings Per Share

The computation of basic earnings per common share is based on the weighted average number of shares outstanding during the year.

The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the year plus the common stock equivalents which would arise from the exercise of stock options and warrants outstanding using the treasury stock method and the average market price per share during the period. Common stock equivalents are not included in the diluted earnings per share calculation when their effect is antidilutive. The Company does not have any stock options or warrants outstanding at December 31, 2006 and 2005.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 2 – Going Concern

As of December 31, 2006, the Company's revenue generating activities are not in place, and the Company has incurred losses since inception. Further, the Company has current liabilities in excess of current assets. These factors raise substantial doubt about the Company's ability to continue as a going concern.

Management's plan to address the Company's ability to continue as a going concern includes procuring funding from private placement sources, obtaining additional funding from the sale of the Company's securities, establishing revenues from the acquisition of a prospective business opportunity and securing loans and grants from financial institutions where possible.

Note 3 – Income Taxes

The difference between income taxes at statutory rates and the amount presented in the financial statements is a result of the following:

		<u>Years Ended</u> <u>December 31,</u>		<u>Cumulative</u>
		<u>2006</u>	<u>2005</u>	<u>Amounts</u>
Income tax benefit at statutory rate	\$	(3,000)	(5,000)	(22,000)
Change in valuation allowance		<u>3,000</u>	<u>5,000</u>	<u>22,000</u>
	\$	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets are as follows at December 31:

		<u>2006</u>	<u>2005</u>
Startup costs	\$	22,000	19,000
Valuation allowance		<u>(22,000)</u>	<u>(19,000)</u>
	\$	<u>-</u>	<u>-</u>

The Company has cumulative startup costs of approximately \$113,000. For income tax purposes start-up costs are deferred until the Company begins generating revenue, at which time the costs are then amortized.

Note 4 – Supplemental Cash Flow Information

No amounts have been paid for interest during the years ended December 31, 2006 and 2005.

No amounts have been paid for income taxes since inception.

MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006 and 2005

Note 5 – Fair Value of Financial Instruments

The Company's financial instruments consist of cash and payables. The carrying amount of cash and payables approximates fair value because of the short-term nature of these items.

Note 6 – Related Party Transactions

At December 31, 2006, the Company had related party payables to an officer of the Company for consulting services of \$10,000 (\$7,000 in 2005) and a short-term note of \$200 (\$250 in 2005), which were unsecured, non-interest bearing and due on demand.

The Company also had two related party payables to a shareholder of the Company for \$10,000 and \$14,980 with associated accrued interest of \$984. These payables are unsecured, bear interest at 10% per annum, and are due on demand.

Note 7 – Recent Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* ("FIN 48"), which clarifies the accounting for uncertainty in income tax positions. This Interpretation requires that the Company recognize in the consolidated financial statements the impact of a tax position that is more likely than not to be sustained upon examination based on the technical merits of the position. The provisions of FIN 48 will be effective for the Company as of the beginning of the Company's 2008 fiscal year, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The Company is currently evaluating the impact of adopting FIN 48 on the consolidated financial statements.

In September 2006, the FASB issued FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Benefits* ("FAS 158"). FAS 158 addresses the accounting for defined benefit pension plans and other postretirement benefit plans ("plans"). Specifically, FAS 158 requires companies to recognize an asset for a plan's overfunded status or a liability for a plan's underfunded status and to measure a plan's assets and its obligations that determine its funded status as of the end of the company's fiscal year, the offset of which is recorded, net of tax, as a component of other comprehensive income in shareholders' equity. FAS 158 will be effective for the Company as of September 30, 2007 and applied prospectively. The provisions of FAS 158 are not expected to have any impact on the Company's financial statements.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements* ("FAS 157"). FAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and expands on required disclosures about fair value measurement. FAS 157 is effective for the Company on October 1, 2008 and will be applied prospectively. The provisions of FAS 157 are not expected to have a material impact on the Company's financial statements.

## **ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

On May 9, 2006, upon the authorization and approval of its board of directors, the Company dismissed Jones Simkins, P.C. (“Jones”) as the Company’s independent registered public accounting firm.

The reports of Jones on the financial statements of the Company as of and for the years ended December 31, 2005 and 2004 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles, except that the reports did include references to a substantial doubt that existed regarding the Company’s ability to continue as a going concern.

During the years ended December 31, 2004 and 2005 and through May 9, 2006, there were no disagreements with Jones on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Jones, would have caused Jones to make reference to the subject matter of the disagreement in its reports on the Company’s financial statements for such periods.

On May 9, 2006, upon the authorization and approval of the board of directors, the Company engaged Pritchett, Siler & Hardy, P.C. (“Pritchett”) as its independent registered public accounting firm.

No consultations occurred between the Company and Pritchett during the years ended December 31, 2004 and 2005 and through May 9, 2006, regarding either (i) the application of accounting principles to a specific completed or contemplated transaction, the type of audit opinion that might be rendered on the Company’s financial statements, or other information provided that was an important factor considered by the Company in reaching a decision as to an accounting, auditing, or financial reporting issue, or (ii) any matter that was the subject of disagreement or a reportable event requiring disclosure under Item 304(a)(1)(iv) of Regulation S-B.

### **ITEM 8A. CONTROLS AND PROCEDURES**

The Company’s president acts both as the Company’s chief executive officer and chief financial officer and is responsible for establishing and maintaining disclosure controls and procedures for the Company.

#### **(a) Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2006. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and adequately designed to ensure that the information required to be disclosed by us in the reports we submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms and that such information was accumulated and communicated to our chief executive officer and chief financial officer, in a manner that allowed for timely decisions regarding disclosure.

#### **(b) Changes in Internal Controls**



During the period ended December 31, 2006, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

#### **ITEM 8B. OTHER INFORMATION**

None.

### **PART III**

#### **ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS**

The officers and directors of the Company as of March 22, 2007, are as follows:

<u><b>Name</b></u>	<u><b>Age</b></u>	<u><b>Position</b></u>
Ruairidh Campbell	43	chief executive officer, chief financial officer and director

On December 10, 1999, Mr. Campbell was appointed as an officer and director of the Company. He estimates that he will spend approximately 10 percent of his time, approximately 5 hours per week, on the Company's business during the next 12 months. He also has significant responsibilities with other companies, as detailed in the following paragraph. He will serve until an annual meeting of the Company's shareholders and his successor is elected and qualified. Thereafter, directors will be elected for one-year terms at the annual shareholders meeting. Officers hold their positions at the pleasure of the board of directors, absent any employment agreement.

Mr. Campbell graduated from the University of Texas at Austin with a Bachelor of Arts in History and then from the University of Utah College of Law with a Juris Doctorate with an emphasis in corporate law, including securities and taxation. Over the past five years he has been an officer and director of several public companies: Allied Resources Inc., an oil and gas production company from June 1998 to present (president, chief financial officer, director), InvestNet, Inc. a mineral resource exploration company from February 2000 until March 2004 (president and chief financial officer until December 2003, director until March 2004), Star Energy Corporation an oil and gas production company from December 1999 to October 2006 (chief financial officer and director), and NovaMed, Inc., a manufacturer of medical devices from 1995 to August 2003 (president, chief financial officer, director).

#### **Board of Directors Committees**

The board of directors has not yet established an audit committee or a compensation committee. An audit committee typically reviews, acts on and reports to the board of directors with respect to various auditing and accounting matters, including the recommendations and performance of independent auditors, the scope of the annual audits, fees to be paid to the independent auditors, and internal accounting and financial control policies and procedures. Certain stock exchanges currently require companies to adopt formal written charter that establishes an audit committee that specifies the scope of an audit committee's responsibilities and the means by which it carries out those responsibilities. In order to be listed on any of these exchanges, the Company would be required to establish an audit committee.

#### **Code of Ethics**

The Company has adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-B of the Securities Exchange Act of 1934. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions. A copy of the Company's Code of Ethics is incorporated as Exhibit 14 to this Form 10-KSB. Further, the Company's Code of Ethics is available in print, at no charge, to any security holder who requests such information.

#### **Compliance with Section 16(a) of the Exchange Act**

Based solely upon a review of Forms 3, 4 and 5 furnished to the Company, the Company is aware of the following individuals who during the period ended December 31, 2006 were directors, officers, or beneficial owners of more than ten percent of the common stock of the Company, and who failed to file, on a timely basis, reports required by Section 16(a) of the Securities Exchange Act of 1934.

Ruairidh Campbell failed to file a Form 3 or Form 5 despite being a director and officer of the Company.

### **ITEM 10. EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

The objective of the Company's compensation program is to provide compensation for services rendered by our sole executive officer. The Corporation's single salary is designed to retain the services of our executive officer. Salary is currently the only type of compensation used in our compensation program. We use this form of compensation because we feel that it is adequate to retain and motivate our executive officer. The amount we deem appropriate to compensate our executive officer is determined in accordance with market forces; we have no specific formula to determine compensatory amounts at this time. While we have deemed that our current compensatory program and the decisions regarding compensation are easy to administer and are appropriately suited for our objectives, we may expand our compensation program to any additional future employees to include options and other compensatory elements.

#### **Table**

The following table provides summary information for the years 2006, 2005, and 2004 concerning cash and non-cash compensation paid or accrued by the Company to or on behalf of (i) the chief executive officer and (ii) any other employee to receive compensation in excess of \$100,000.

<i>Summary Compensation Table</i>
-----------------------------------

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
Ruairidh Campbell CEO, CFO, PAO, and director	2006	12,000	-	-	-	-	-	-	12,000*
	2005	12,000	-	-	-	-	-	-	12,000*
	2004	4,000	-	-	-	-	-	-	4,000

\* Amounts of \$3,000 and \$7,000 were accrued but not paid to Mr. Campbell and recorded as related party payables in 2006 and 2005 respectively.

The Company has no “Grants of Plan-Based Awards”, “Outstanding Equity Awards at Fiscal Year-End”, “Option Exercises and Stock Vested”, “Pension Benefits”, or “Nonqualified Deferred Compensation”. Nor does the Company have any “Post Employment Payments” to report.

Directors receive no compensation for their services as directors.

#### **ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of the stock of the Company as of March 22, 2007, by each shareholder who is known by the Company to beneficially own more than 5% of the outstanding common stock, by each director, and by all executive officers and directors as a group.

Title of Class	Name and Address of Beneficial Ownership	Amount	Percent of Class
Common Stock	Ruairidh Campbell 600 Westwood Terrace Austin, Texas 78746	600,000	9.5%
Common Stock	All Executive Officers and Directors as a Group	600,000	9.5%

#### **ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Other than as disclosed below, no director, executive officer, nominee for election as a director of the Company, or an owner of five percent or more of the Company's outstanding shares, or any member of their immediate family, has entered into any related transaction over the last two years.

On August 1, 2004, the Company entered into an agreement with Ruairidh Campbell, the Company's sole officer and director that entitles Ruairidh Campbell to a consulting fee of \$1,000 a month. The agreement is for an indeterminate period and can be cancelled or revised on thirty days notice.

On September 2, 2004, the Company repaid a loan of \$2,500 to Ruairidh Campbell, the Company's sole officer and director. The loan was incurred during the period December 7, 1999, to December 31, 2003.

#### **ITEM 13. EXHIBITS**

Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits beginning on page 19 of this Form 10-KSB, which is incorporated herein by reference.

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

##### Audit Fees

Pritchett, Siler & Hardy, P.C. provided audit services to the Company in connection with its review of quarterly filings during the fiscal year ended December 31, 2006. The aggregate fees billed by Pritchett during 2006 for the review of the Company's quarterly financial statements was \$3,600. Jones Simkins, P.C. provided audit services to the Company in connection with its annual report for the fiscal year ended December 31, 2005. The aggregate fees billed by Jones for the audit of the Company's annual financial statements and a review of the Company's quarterly financial statements was \$5,442.

##### Audit Related Fees

Pritchett billed to the Company no fees in 2006 for professional services that are reasonably related to the audit or review of the Company's financial statements that are not disclosed in "Audit Fees" above. Jones billed to the Company no fees in 2005 for professional services that are reasonably related to the audit or review of the Company's financial statements that are not disclosed in "Audit Fees" above.

##### Tax Fees

Pritchett billed to the Company no fees in 2006 for professional services rendered in connection with the preparation of the Company's tax returns. Jones billed to the Company fees of \$350 in 2006 and \$350 in 2005 for professional services rendered in connection with the preparation of the Company's tax returns for the respective periods.

##### All Other Fees

Pritchett billed to the Company no fees in 2006 for other professional services rendered or any other services not disclosed above. Jones billed to the Company no fees in 2005 for other professional services rendered or any other services not disclosed above.

##### Audit Committee Pre-Approval

The Company does not have a standing audit committee. Therefore, all services provided to the Company by Pritchett as detailed above, were pre-approved by the Company's board of directors. Pritchett performed all work only with their permanent full time employees. Further, all services provided to the Company by Jones as detailed above, were pre-approved by the Company's board of directors.

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 22<sup>nd</sup> day of March 2007

Montana Mining Corp.

/s/ Ruairidh Campbell

Ruairidh Campbell, Chief Executive Officer, Chief  
Financial Officer, and Principal Accounting Officer

In accordance with the Exchange Act, this report has been signed below by the following person on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Ruairidh Campbell</u> Ruairidh Campbell	Director	March 22, 2007

## INDEX TO EXHIBITS

<b><u>Exhibit No.</u></b>	<b><u>Page No.</u></b>	<b><u>Description</u></b>
3(i)(a)	*	Articles of Incorporation of the Company, formally known as Aswan Investments, Inc. (incorporated herein by reference from Exhibit No. 3(i) of the Company's Form 10-SB as filed with the SEC on February 3, 2000).
3(i)(b)	*	Amendment to Articles of Incorporation filed with the State of Nevada on August 5, 2002 (incorporated herein by reference from Exhibit No. 3(i)(b) of the Company's Form 8-K as filed with the SEC on August 15, 2002).
3(i)(c)	*	Amendment to Articles of Incorporation filed with the State of Nevada on October 12, 2004 (incorporated herein by reference from Exhibit No. 3(i)(c) of the Company's Form 10-QSB as filed with the SEC on November 8, 2004).
3(ii)	*	By-laws of the Company adopted on December 10, 1999 formally known as Aswan Investments, Inc. (incorporated herein by reference from Exhibit No. 3(i) of the Company's Form 10-SB as filed with the SEC on February 3, 2000).
10(i)	*	Option Purchase Agreement between the Company and Monument Resources, Inc. dated July 19, 2002 (incorporated herein by reference from Exhibit No. 10(i) of the Company's Form 10-QSB/A filed with the SEC on November 8, 2002).
14	*	Code of Ethics adopted April 14, 2004 (incorporated herein by reference herein by reference from Exhibit No. 14 of the Company's Form 10-KSB/A filed with the SEC on April 16, 2004).
23(i)	*	Consent of Joseph Anzman, Registered Geophysicist dated November 23, 2002 (incorporated herein by reference from Exhibit 23(i) of the Company's Form SB-2/A-2 filed with the SEC on November 29, 2002).
31	20	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	21	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	Incorporated by reference from previous filings of the Company.	

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ruairidh Campbell certify that:

1. I have reviewed this report on Form 10-KSB ("Report") of Montana Mining Corp.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the period presented in this Report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer is made known to me by others within those entities, particularly during the period in which this Report is being prepared;
  - b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this Report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - c) Disclosed in this Report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date: March 22, 2007

/s/ Ruairidh Campbell

Ruairidh Campbell

Chief Executive Officer and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002

In connection with the report on Form 10-KSB of Montana Mining Corp. for the annual period ended December 31, 2006 as filed with the Securities and Exchange Commission on the date hereof ("Report"), I, Ruairidh Campbell, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) This Report complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly represents, in all material respects, the financial condition of the small business issuer at the end of the period covered by this Report and results of operations of the small business issuer for the period covered by this Report.

/s/ Ruairidh Campbell

Ruairidh Campbell

Chief Executive Officer and Chief Financial Officer

March 22, 2007

This certification accompanies this Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the small business issuer for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the small business issuer and will be retained by the small business issuer and furnished to the Securities and Exchange Commission or its staff upon request.