

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

*(Mark One)*

- ☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **March 31, 2009**.
- ☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: **000-29321**

**MONTANA MINING CORP.**  
(Exact name of registrant as specified 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**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name, former address and former fiscal year, if changes since last report)

Indicate by check mark 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 ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act: Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☒ No ☐

At May 12, 2009, the number of shares outstanding of the registrant's common stock, \$0.001 par value (the only class of voting stock), was 7,146,318.

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## **PART I – FINANCIAL INFORMATION**

### **ITEM 1. FINANCIAL STATEMENTS**

As used herein, the terms “Company,” “we,” “our,” “us,” “it,” and “its” refer to Montana Mining Corp., a Nevada corporation, unless otherwise indicated. In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

MONTANA MINING CORP.  
(A Development Stage Company)  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
<u>ASSETS</u>		
Current assets:		
Cash	\$ 49	74
Interest receivable	2,863	918
Note receivable	<u>79,760</u>	<u>81,699</u>
Total current assets	\$ <u>82,672</u>	<u>82,691</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 9,712	4,440
Related party accounts payable	36,939	28,248
Related party interest payable	3,532	1,042
Current portion of related party notes payable	<u>2,470</u>	<u>2,370</u>
Total current liabilities	52,653	36,100
Related party notes payable, net of beneficial conversion feature	<u>30,000</u>	<u>20,000</u>
Total liabilities	<u>82,653</u>	<u>56,100</u>
Stockholders' equity:		
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, 7,146,318 shares issued and outstanding	7,146	7,146
Additional paid-in capital	265,578	265,578
Deficit accumulated during the development stage	<u>(272,705)</u>	<u>(246,133)</u>
Total stockholders' equity	<u>19</u>	<u>26,591</u>
Total liabilities and stockholders' equity	\$ <u>82,672</u>	<u>82,691</u>

The accompanying notes are an integral part of these financial statements

MONTANA MINING CORP.  
(A Development Stage Company)  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Cumulative Amounts
	March 31,		
	2009	2008	
Revenue	\$ -	-	-
Operating expenses:			
General and administrative costs	16,027	9,331	229,634
Impairment of franchise agreement	-	-	25,000
Loss from operations	(16,027)	(9,331)	(254,634)
Other income (expense):			
Interest income	1,945	-	2,863
Interest expense	(12,490)	(1,333)	(20,934)
Loss before income taxes	(26,572)	(10,664)	(272,705)
Provision for income taxes	-	-	-
Net loss	\$ (26,572)	(10,664)	(272,705)
Loss per common share - basic and diluted	\$ -	-	
Weighted average common shares - basic and diluted	7,146,318	6,312,900	

The accompanying notes are an integral part of these financial statements

MONTANA MINING CORP.  
(A Development Stage Company)  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended		Cumulative Amounts
	March 31,		
	2009	2008	
<u>Cash flows from operating activities:</u>			
Net loss	\$ (26,572)	(10,664)	(272,705)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock compensation expense	-	-	5,007
Impairment of franchise agreement	-	-	25,000
Loss on foreign currency transaction	1,939	-	2,315
Amortization of beneficial conversion feature	10,000	-	10,000
(Increase) decrease in:			
Interest receivable	(1,945)	-	(2,863)
Increase (decrease) in:			
Accounts payable	5,272	296	9,712
Related party accounts payable	8,691	-	26,939
Related party interest payable	2,490	1,332	10,934
Net cash used in operating activities	(125)	(9,036)	(185,661)
<u>Cash flows from investing activities:</u>			
Purchase of franchise agreement	-	(25,000)	(25,000)
Increase in note receivable	-	-	(82,075)
Net cash used in investing activities	-	(25,000)	(107,075)
<u>Cash flows from financing activities:</u>			
Increase in related party notes payable	100	33,769	188,410
Decrease in stock subscription receivable	-	-	465
Issuance of common stock	-	-	103,910
Net cash provided by financing activities	100	33,769	292,785
Net increase (decrease) in cash	(25)	(267)	49
Cash, beginning of period	74	318	-
Cash, end of period	\$ 49	51	49

The accompanying notes are an integral part of these financial statements

MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2009

Note 1 – Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company's Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2009.

Note 2 – Additional Footnotes Included By Reference

Except as indicated in the following Notes, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company's Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

Note 3 – Going Concern

As of March 31, 2009, the Company's revenue generating activities are not in place, and the Company has incurred losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company has identified Produced Water Solutions, Inc. (PWS) as a suitable business opportunity and has entered into a share exchange agreement to acquire PWS. Management believes that it will be able to meet the financing conditions attendant to acquiring PWS but does not currently have the cash position to do so nor does it have a financing commitment in place. Therefore, there can be no assurance that management will be successful in acquiring PWS or otherwise identifying an alternative business opportunity with available funds.

MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2009

Note 4 – Related Party Payables

Related party notes payable consist of the following:

	March 31, 2009 <u>(Unaudited)</u>	December 31, 2008 <u>(Audited)</u>
Note payable to a shareholder of the Company of \$100,000, bearing interest at 10%, due December 31, 2010, net of beneficial conversion feature of \$70,000 and \$80,000, respectively. The note is convertible into shares at \$0.05 at the holder's option. Accrued interest at March 31, 2009 and December 31, 2008 was \$3,479 and \$1,014 respectively.	\$ 30,000	20,000
Note payable to a company owned by an officer and shareholder of the Company. The note is non-interest bearing, due on demand, and unsecured.	1,185	1,185
Note payable to a shareholder of the Company. The note includes interest at 10%, is due on demand, and unsecured. Accrued interest at March 31, 2009 and December 31, 2008 and was \$53 and \$28, respectively.	985	985
Note payable to an officer and shareholder of the Company. The note is non-interest bearing, due on demand, and unsecured.	<u>300</u>	<u>200</u>
	32,470	22,370
Less current portion	<u>(2,470)</u>	<u>(2,370)</u>
	<u>\$ 30,000</u>	<u>20,000</u>



MONTANA MINING CORP.  
(A Development Stage Company)  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2009

Note 4 – Related Party Payables (continued)

Related party accounts payable consist of the following:

	March 31, 2009 <u>(Unaudited)</u>	December 31 2008 <u>(Audited)</u>
Payable to an officer and shareholder of the Company for consulting services. The payable is non-interest bearing, due on demand, and unsecured.	\$ 25,000	22,000
Payable to a company owned by an officer and shareholder of the Company for consulting services. The payable is non-interest bearing, due on demand and unsecured.	<u>11,939</u>	<u>6,248</u>
	\$ <u><u>36,939</u></u>	<u><u>28,248</u></u>

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly 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 subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes thereto included in this report. Information presented herein is based on the three month periods ended March 31, 2009 and the period since inception to March 31, 2009. Our fiscal year end is December 31.

### **Discussion and Analysis**

The Company's plan of operation over the next twelve months is to acquire and pursue the business operations of Produced Water Solutions, Inc. (PWS). Should the Company not acquire PWS, its plan of operation over the next twelve months will be to identify and acquire an alternative business opportunity.

On October 23, 2008, the Company signed a letter of intent to acquire PWS, based in Sylvan Lake, Canada, whose business is to provide oilfield produced water treatment systems to oil and gas producers in North America. PWS' proprietary process converts high volumes of oil and gas produced water into potable water using a unit that can be easily moved from well to well. The process effectively reduces the traditional costs of disposing field water either down disposal wells or off site while simultaneously meeting the need to reuse and recycle water as an increasingly valuable resource.

The Company and PWS entered into a definitive share exchange agreement on November 20, 2008 that was subsequently amended on February 2, 2009, on the following material terms and conditions:

- a share exchange of eight million (8,000,000) Company shares for one hundred percent (100%) of the equity interests in PWS;
- a Company loan of eighty one thousand six hundred and ninety nine dollars (\$81,699) to PWS secured by the assets and proprietary technology associated with its business;
- a closing date for the share exchange of on or before July 17, 2009;
- a private placement of the Company's common stock intended to provide no less than seven hundred and fifty thousand dollars (\$750,000) in initial financing on or before the closing date and a best efforts basis commitment to raise an additional \$750,000 in a private placement offering within ninety (90) days of closing;
- a finder's fee that consists of eight hundred thousand (800,000) shares of the Company's common stock issued on closing;
- a PWS nomination of one individual to join the Company's BOD; and
- employment agreements for key members of the PWS management team.

The Company will require a minimum of \$1,500,000 in funding over the next 12 months to satisfy its commitments to PWS and meet current operating requirements. However, such funding is not currently in place and the Company is yet to secure a commitment for same. Should the Company fail to acquire PWS and look to alternative business opportunities, its plan of operation would require a minimum of \$50,000 over the next twelve months.

## **Results of Operations**

During the three month period ended March 31, 2009, the Company (i) satisfied continuous public disclosure requirements, (ii) performed due diligence with respect to PWS, (iii) attempted to procure requisite financing and (iv) amended the share exchange agreement with PWS.

### ***Net Loss***

For the period from December 7, 1999, to March 31, 2009, the Company recorded an operating loss of \$272,705. Net losses for the three month period ended March 31, 2009 were \$26,572 as compared to \$10,664 for the three months ended March 31, 2008. The increase in the Company's net losses over the comparative three month periods can be attributed both to increases in consulting fees and interest expenses. The Company's cumulative operating loss is mostly due to costs associated with a forfeited option agreement, the impaired LA Boxing franchise fee and general and administrative expenses. General and administrative costs include offering expenses, accounting costs, consulting fees, mining exploration expenses, due diligence costs and the preparation of disclosure documentation.

We did not generate revenue during this period and expect to continue to incur losses.

### ***Capital Expenditures***

The Company expended no amounts on capital expenditures for the period from December 7, 1999, to March 31, 2009.

### ***Income Tax Expense (Benefit)***

The Company has a prospective income tax benefit resulting from a net operating loss carryforward and start up costs that will offset any future operating profit.

### ***Impact of Inflation***

The Company believes that inflation has had a negligible effect on operations over the past three years.

### ***Liquidity and Capital Resources***

The Company is in the development stage and, since inception, has experienced significant changes in liquidity, capital resources, and stockholders' deficit.

The Company had current and total assets of \$82,672 as of March 31, 2009, consisting of cash of \$49, a note receivable of \$79,760 and interest thereon of \$2,863. Net stockholders' equity in the Company was \$19 at March 31, 2009.

Cash flow used in operating activities was \$185,661 for the period from December 7, 1999, to March 31, 2009. Cash flow used in operating activities for the three month period ended March 31, 2009 decreased to \$125 as compared to \$9,036 for the three month period ended March 31, 2008. The decrease in cash flows used in operating activities over the comparative three month periods can be attributed to the amortization of the beneficial conversion feature tied to a note payable and increases in accounts payable. The Company's cumulative cash flow used in operating activities was used on accounting, administration, consulting, exploration expenses and a franchise fee.

We expect to continue to use cash flow in operating activities over the next twelve months.

Cash flow provided from financing activities was \$292,785 for the period from December 7, 1999, to March 31, 2009. Cash flow provided by financing activities for the three months ended March 31, 2009 decreased to \$100 as compared to \$33,769 for the three months ended March 31, 2008. The decrease in cash flow provided from financing activities over the comparative three month periods can be attributed to ineffective financing activities in the current period. The Company's cumulative financing activities have consisted of sales of the Company's common stock as well as related and non-related party loans.

We expect to continue to use cash flow provided by financing activities to maintain current operations and meet our financing commitments to PWS with private equity placements or additional shareholder loans.

Cash flow used in investing activities was \$107,075 for the period from December 7, 1999, to March 31, 2009. Cash flow used in investing activities for the three months ended March 31, 2009 decreased to \$0 as compared to \$25,000 for the three months ended March 31, 2008. Cash flow used in investing activities over the cumulative period can be attributed to the franchise fee to LA Boxing of \$25,000 and a loan to PWS in the amount of \$82,075.

We do expect to use cash flow in investing activities in connection with any future development or acquisition of a business opportunity.

The Company's current assets are insufficient to conduct its plan of operation over the next twelve (12) months. We will have to seek at least \$50,000 in debt or equity financing over the next twelve months to fund our continued operations. We are further committed to raise \$750,000 to close our share exchange agreement with PWS and an additional \$750,000 on a best efforts basis thereafter. The Company has no current commitments or arrangements with respect to, or immediate sources of this funding. Further, no assurances can be given that funding is available. The Company's shareholders are 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 will have a material adverse affect on its ability to acquire PWS, search for alternative business opportunities or maintain operations.

The Company does not intend to pay cash dividends in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements as of March 31, 2009.

The Company had no commitments for future capital expenditures that were material at March 31, 2009 except those expenditures anticipated in connection with the prospective acquisition of PWS.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any changes in the number of employees.

### ***Off-Balance Sheet Arrangements***

As of March 31, 2009, we have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to stockholders.

### ***Critical Accounting Policies***

In Note 1 to the audited financial statements for the years ended December 31, 2008 and 2007, included in our Form 10-K, 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 United States.

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.

### ***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 \$246,133 as of December 31, 2008, which deficit increased to \$272,705 as of March 31, 2009. 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: (i) obtaining funding from the private placement of debt or equity; (ii) realizing revenues from PWS; and (iii) obtaining loans and grants from financial or government institutions. Management believes that it will be able to obtain funding to allow the Company to remain a going concern through the methods discussed above, though there can be no assurances that such methods will prove successful.

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

The statements contained in the section titled *Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, with the exception of historical facts, are forward looking statements. 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;
- our ability to generate revenues from future operations;
- the volatility of the stock market and;
- general economic conditions.

We wish to caution readers that our 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 as required by law.

### ***Stock-Based Compensation***

The Company has adopted SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. In January 2005, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 107, which provides supplemental implementation guidance for SFAS No. 123R. SFAS No. 123R eliminates the ability to account for stock-based compensation transactions using the intrinsic value method under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and instead generally requires that such transactions be accounted for using a fair-value-based method. We use the Black-Scholes-Merton ("BSM") option-pricing model to determine the fair-value of stock-based awards under SFAS No. 123R, consistent with that used for pro forma disclosures under SFAS No. 123, Accounting for Stock-Based Compensation. We have elected the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of SFAS No. 123R. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006, the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro forma provisions of SFAS No. 123. Prior to the adoption of SFAS No. 123R, we measured compensation expense for our employee stock-based compensation plans using the intrinsic value method prescribed by APB Opinion No. 25. We applied the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148, Accounting for Stock-Based Compensation – Transition and Disclosure, as if the fair-value-based method had been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Company's employee stock options is equal to the market price of the underlying stock on the date of the grant, no compensation expense is recognized.

The Company has no outstanding stock options or related stock option expense.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

### ***Recent Accounting Pronouncements***

In November 2008, the Emerging Issues Task Force (“EITF”) issued Issue No. 08-7, *Accounting for Defensive Intangible Assets* (“EITF 08-7”). EITF 08-7 applies to all acquired intangible assets in which the acquirer does not intend to actively use the asset but intends to hold (lock up) the asset to prevent its competitors from obtaining access to the asset (a defensive asset), assets that the acquirer will never actually use, as well as assets that will be used by the acquirer during a transition period when the intention of the acquirer is to discontinue the use of those assets. EITF 08-7 is effective as of January 1, 2009. We do not expect the adoption of EITF 08-7 to have a material impact on the consolidated financial statements.

In May 2008, the FASB issued SFAS 163 which clarifies how SFAS 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. We are currently reviewing the effect, if any, that the adoption of this statement will have on our financial statements.

In May 2008, the FASB issued SFAS 162 which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of non-governmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). We are currently reviewing the effect, if any, that the adoption of this statement will have on our financial statements.

In April 2008, the FASB issued FASB Staff Position (“FSP”) No. FAS 142-3, *Determination of the Useful Life of Intangible Assets*. FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, Goodwill and Other Intangible Assets (“SFAS 142”). FSP 142-3 is intended to improve the consistency between the useful life of an intangible asset determined under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other GAAP. FSP 142-3 is effective as of January 1, 2009. We do not expect the adoption of FSP 142-3 to have a material impact on the consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (“SFAS 161”). SFAS 161 is intended to help investors better understand how derivative instruments and hedging activities affect an entity’s financial position, financial performance and cash flows through enhanced disclosure requirements. SFAS 161 is effective as of January 1, 2009. We do not expect the adoption of SFAS 161 to have a material impact on the consolidated financial statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not required.

## **ITEM 4T. CONTROLS AND PROCEDURES**

### ***Evaluation of Disclosure Controls and Procedures***

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by the Company's management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company's management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms.

### ***Changes in Internal Control over Financial Reporting***

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended March 31, 2009, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

None.

### **ITEM 1A. RISK FACTORS**

The Company's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

#### **Risks Related to the Company's Business**

***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 \$246,133 at December 31, 2008, which increased to \$272,705 at March 31, 2009. During fiscal 2008, we recorded a net loss of \$73,831. The Company has never realized revenue from operations. Our only expectation of future profitability is dependent on the future results of operations from PWS or the acquisition of a revenue producing business opportunity.



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

The Company's future operation is dependent upon the development or acquisition of a profitable business opportunity. We found it impossible to realize the financing needed for opening our LA Boxing franchise location and cannot be certain that any other financing required by our prospective transaction with PWS will be forthcoming. Our inability to finance our operation sufficiently will prevent us from developing any business and may act as a deterrent in any future negotiations with potential acquisition candidates. Should the Company be unable to acquire or develop a profitable business opportunity in the near term, it 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.

### **Risks Related to the Company's Stock**

***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 incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.***

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. 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, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly. Further, expenses related to our compliance may increase in the future, as legislation affecting smaller reporting companies comes into effect that may negatively impact our financial performance to the point of having a material adverse effect on our results of operations and financial condition.

***Our internal controls over financial reporting may not be considered effective in the future, 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 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must 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. If we are unable to continue to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

***The Company requires immediate capital funding to meet working capital requirements and current commitments to PWS which it may not be able to satisfy.***

The Company requires immediate financing through equity offerings or debt placements to meet current working capital requirements and near-term commitments to raise \$750,000 as a condition to closing the share exchange agreement with PWS. Despite the immediacy of necessary financing and ongoing efforts to secure a financing, the Company has no commitment to raise any of the requisite capital, without which it will not be able to satisfy its commitment to PWS or meet its current financial obligations.

***If the market price of our common stock declines as the selling security holders sell their stock, selling security holders or others may be encouraged to engage in short selling, depressing the market price.***

The significant downward pressure on the price of the common stock as the selling security holders sell material amounts of common stock could encourage short sales by the selling security holders or others. Short selling is the selling of a security that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller. Short sellers assume that they will be able to buy the stock at a lower amount than the price at which they sold it short. Significant short selling of a company's stock creates an incentive for market participants to reduce the value of that company's common stock. If a significant market for short selling our common stock develops, the market price of our common stock could be significantly depressed.

***The Company's shareholders may face significant restrictions on their stock.***

The Company's stock differs from many stocks in that it is a "penny stock." The Commission has adopted a number of rules to regulate "penny stocks" including, but not limited to, those rules from the Securities Act as follows:

- 3a51-1 which defines penny stock as, generally speaking, those securities which are not listed on either NASDAQ or a national securities exchange and are priced under \$5, excluding securities of issuers that have net tangible assets greater than \$2 million if they have been in operation at least three years, greater than \$5 million if in operation less than three years, or average revenue of at least \$6 million for the last three years;
- 15g-1 which outlines transactions by broker/dealers which are exempt from 15g-2 through 15g-6 as those whose commissions from traders are lower than 5% total commissions;
- 15g-2 which details that brokers must disclose risks of penny stock on Schedule 15G;
- 15g-3 which details that broker/dealers must disclose quotes and other information relating to the penny stock market;
- 15g-4 which explains that compensation of broker/dealers must be disclosed;

- 15g-5      which explains that compensation of persons associated in connection with penny stock sales must be disclosed;
- 15g-6      which outlines that broker/dealers must send out monthly account statements; and
- 15g-9      which defines sales practice requirements.

Since the Company's securities constitute a "penny stock" within the meaning of the rules, the rules would apply to us and our securities. Because these rules provide regulatory burdens upon broker-dealers, they may affect the ability of shareholders to sell their securities in any market that may develop; the rules themselves may limit the market for penny stocks. Additionally, the market among dealers may not be active. Investors in penny stock often are unable to sell stock back to the dealer that sold them the stock. The mark-ups or commissions charged by the broker-dealers may be greater than any profit a seller may make. Because of large dealer spreads, investors may be unable to sell the stock immediately back to the dealer at the same price the dealer sold the stock to the investor. In some cases, the stock may fall quickly in value. Investors may be unable to reap any profit from any sale of the stock, if they can sell it at all. Shareholders should be aware that, according to Commission Release No. 34-29093 dated April 17, 1991, the market for penny stocks has suffered from patterns of fraud and abuse. These patterns include:

- control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer;
- manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases;
- "boiler room" practices involving high pressure sales tactics and unrealistic price projections by inexperienced sales persons;
- excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and
- the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the inevitable collapse of those prices with consequent investor losses.

**ITEM 2.            UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3.            DEFAULTS ON SENIOR SECURITIES**

None.

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

None.

**ITEM 5.            OTHER INFORMATION**

None.

**ITEM 6.            EXHIBITS**

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 21 of this Form 10-Q, and are incorporated herein by this reference.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

*Montana Mining Corp.*

*Date*

/s/ Ruairidh Campbell

May 12, 2009

Ruairidh Campbell

Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, and Director

## EXHIBITS

<i><b>Exhibit</b></i>	<i><b>Description</b></i>
3(i)(a)*	Articles of Incorporation of the Company, formerly 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 Commission 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 Commission 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 Commission on November 8, 2004).
3(ii)*	By-laws of the Company adopted on December 10, 1999 formerly 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 Commission on February 3, 2000).
10(i)*	LA Boxing Franchise Agreement dated March 7, 2008 (incorporated herein by reference from Exhibit No. 10 of the Company's Form 8-K as filed with the Commission on March 21, 2008).
10(ii)*	PWS Share Exchange Agreement dated November 20, 2008 (incorporated herein by reference from Exhibit 10 of the Company's Form 8-K as filed with the Commission on December 3, 2008).
10(iii)*	Amendment to PWS Share Exchange Agreement dated February 2, 2009 (incorporated herein by reference from Exhibit 10 of the Company's Form 8-K as filed with the Commission on March 3, 2009).
14*	Code of Ethics adopted April 14, 2004 (incorporated herein by reference from Exhibit No. 14 of the Company's Form 10-KSB/A filed with the Commission on April 16, 2004).
21*	Subsidiaries of the Company (incorporated herein by reference from Exhibit No. 21 of the Company's Form 10-K filed with the Commission on April 11, 2008).
31 Attached	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 Attached	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.

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-Q 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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal controls over financial reporting.

Date: May 12, 2009

/s/ Ruairidh Campbell

Ruairidh Campbell

Chief Executive Officer and Chief Financial Officer

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-Q of Montana Mining Corp. for the quarterly period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof, 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 and belief:

- (1) This report fully 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 registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: May 12, 2009

/s/ Ruairidh Campbell

Ruairidh Campbell

Chief Executive Officer and Chief Financial Officer

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 registrant 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 registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.