MONTAN MINING CORP.
(FORMERLY STRAIT MINERALS INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2014

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operation of Strait Minerals Inc. ("Strait" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2014 ("2014"). This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes included therein for the years ended December 31, 2014 and 2013. The financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards, using accounting policies issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A is made as of April 24, 2015

FORWARD LOOKING INFORMATION

This MD&A contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as the actual results of current exploration programs, the general risks associated with the mining industry, the price of gold and other metals, reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward-looking financial statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.

This MD&A has been approved by the Board of Directors of the Company, and contains certain information that is current to April 24, 2015. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. The Company may, but is not obligated to, provide updates to forward looking statements, including in subsequent news releases and its interim MD&As filed with regulatory authorities. Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

ADDITIONAL INFORMATION

(1) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is included in the information circular for the Company's meeting of shareholders held on June 12, 2014 and in the information circular for the Special Meeting of shareholders held on February 24, 2015, which are available on SEDAR at www.sedar.com

QUALIFIED PERSON

Roger Moss, Ph.D., P.Geo., a qualified person as defined under NI 43-101, and a Director of the Company, has reviewed and approved the technical information in this Management Discussion and Analysis.

EXECUTIVE SUMMARY

Strait is involved in four early-stage exploration projects in Peru. Its 100%-owned ***Alicia*** *property has demonstrated potential to host a porphyry-style copper-gold deposit in addition to skarns and polymetallic veins. Alicia has been the Company's main focus since 2010. The property lies within an emerging copper belt that hosts a number of important deposits.*

The Company completed an initial 2,000 metre core drilling program at Alicia in early 2011. In December 2011, Teck Resources ("Teck") was granted an option to earn up to a 75% interest in the property. In 2013, Teck funded a 4,000-metre drill program which intersected copper mineralization in nine of the 10 holes drilled. Selected results of the drill program were reported in the Company's news release of January 21, 2014. In February 2014 the Company announced that it had been notified that Teck Peru did not intend to exercise its option to earn an interest in Alicia.

The Company believes that information obtained to date on the property justifies further exploration. In particular, drilling results have been encouraging with all but two of the 28 holes drilled to date intersecting copper mineralization (in some cases with associated gold, molybdenum and silver values), including:

- *21.2 metres averaging 1.27% copper in hole ALC10-05 (Skarn)*
- *134 metres averaging 0.29% copper in hole ALC11-16 (Porphyry and Skarn)*
- *198.5 metres averaging 0.16% copper in hole ALC11-17 (Porphyry)*
- *80.5 metres averaging 0.17% copper in hole ALC13-21 (Porphyry); and*
- *178.6 metres averaging 0.11% copper in hole ALC13-23 (Porphyry)*

Since the wind-down of the Teck drilling program in early 2014, the Company's primary focus has been on care and maintenance of the Alicia project and on raising financing for further exploration of the property.

On December 3, 2014, the Company and Montan Capital Corp. ("Montan Capital") announced that they had entered into a binding letter agreement to merge the two companies. Montan Capital was a "Capital Pool Company" under the policies of the TSX Venture Exchange and the transaction would constitute its "Qualifying Transaction" in accordance with Exchange Policy 2.4 Capital Pool Companies.

On January 6, 2015, the Company and Montan Capital announced that they and 1023174 B.C. LTD. ("Newco") had entered into an amalgamation agreement ("the Amalgamation Agreement") in connection with the proposed qualifying transaction and reverse take-over of the Company ("the Transaction"). Upon the closing of the Transaction, Newco and Montan Capital would amalgamate to form a single subsidiary of Strait and Strait would acquire all of the issued and outstanding securities of Montan Capital from the shareholders of Montan Capital in exchange for the issuance of 8,000,000 post-Consolidation Strait common shares (the "Consideration Shares") at the rate of one Strait common share for each one Montan Capital common share. In connection with the Transaction, Strait would, prior to issuing the Consideration Shares, complete a consolidation of its common shares on a 10:1 basis, reducing its capital to 6,203,249 post-Consolidation shares and change its name to Montan Mining Corp. ("Montan"). The Transaction was completed on March 4, 2015.

Management has determined that a write-down of mineral properties to their estimated fair market value at $700,000 at December 31, 2014 is appropriate.

In view of the fact that management has no plans for the Culebrilla, Letra Rumi North and Letra Rumi South properties and the properties will likely meet with one or more of the impairment tests under IAS 36, deferred costs relating to these properties have been written off in their entirety.

In late 2014, the Company relinquished its option to acquire the Caribe property. Accordingly, deferred costs relating to this property have also been entirely written off.

As a result of the above, the aggregate fair value of mineral properties of $700,000 as at December 31, 2014 is attributable entirely to the Alicia property.

In connection with the closing of the Transaction, Montan completed the first tranche of the concurrent financing and raised gross proceeds of $527,000 by the issuance of 5,270,000 Montan Shares at a price of $0.10 per share.

For the year ended December 31, 2014, the Company reported a total comprehensive loss of approximately $2,846,000 ($0.05 per share), including approximately $2,453,000 relating to the write down in the value of mineral properties. Cash requirements for operating and investing activities for the year were approximately $19,000. No cash was generated by financing activities during the year. At December 31, 2014, the Company had a working capital deficiency of approximately $98,000. As of the date of this MD&A, cash is approximately $720,000 and working capital is approximately $728,000.

In December 2014, the Company and Montan Capital commissioned a Technical Report on the Alicia Property, prepared in accordance with NI 43-101. The report recommended a two phase exploration program at Alicia involving estimated spending of $700,000. As a result of the cash infusion resulting from the Transaction and the concurrent financing, the Company is positioned to move ahead with the new exploration program.

Forward-looking statements	Assumptions	Risk factors
Potential of Strait's Alicia project to host a porphyry-style copper-gold deposit.	All necessary regulatory and governmental exploration approvals for the project will be received on a timely basis on acceptable terms; relations with the local community and artisanal miners are conducive to exploration activities without risk to Company staff and property; financing will be available to complete the preliminary drilling program and subsequent exploration programs; actual results of the preliminary and subsequent exploration programs will be favourable; operating, exploration and development costs will not exceed expectations; the Company will be able to attract and retain skilled staff; the price of metals will be favourable to the Company.	Political, economic and other uncertainties, including risks of civil unrest, renegotiation or nullification of existing contractual relationships, in Peru; changes in environmental regulations and costs of compliance; the possibility that future exploration results will not justify continued exploration activity; metal price volatility; the Company's ability to continue to provide attractive career opportunities to staff.
The Company's primary focus has been on raising financing for further exploration of the property.	The Company can satisfy potential exploration partners as to the technical merits of the Alicia property; relations with the local community and artisanal miners are conducive to exploration activities without risk to Company staff and property; the Company's existing cash resources are sufficient for it to maintain its interest in Alicia; the Company can conclude an option agreement or other financing on satisfactory economic terms.	Potential exploration partners have multiple properties that may be worthy of their investment; existing information from Alicia may be insufficient to meet their criteria for new investment. Successful implementation of new exploration projects involves consultation and agreement with local communities and indigenous peoples; such negotiations may result in extensive delays and costs overruns for exploration projects; there is no assurance that the terms of a community agreement, if negotiated, will be adhered to by the community or renewed or extended. Continuation of the existing difficult environment for junior mineral exploration companies to raise fresh equity may result in the Company being unable to maintain its interest in the Alicia property
The Company's ability to meet its obligations and continue as a going concern depends on its ability to identify and complete future funding.	The Company will be able to access capital markets to raise fresh equity.	Adverse changes in capital markets for junior exploration companies, such as currently being experienced may lead to extreme difficulty in raising fresh equity on acceptable terms to the Company
The Company is positioned to move ahead with the new exploration program.	Existing cash resources are sufficient to meet the needs of the program outlined in the Technical Report; community relations and regulatory framework is conducive to further exploration at Alicia.	Successful implementation of new exploration projects involves consultation and agreement with local communities and indigenous peoples; such negotiations may result in extensive delays and costs overruns for exploration projects; there is no assurance that the terms of a community agreement, if negotiated, will be adhered to by the community. ity or renewed or extended.

OVERVIEW

Strait is a TSX-Venture Exchange listed company devoted exclusively to mineral exploration in Peru where it has interests in four mineral properties.

Since early 2010 the Company has been most active on the Alicia copper-gold property in the Region of Cusco, approximately 500 km southeast of Lima, an area known as the Andahuaylis-Yauri copper belt. The Company acquired a 100% interest in February, 2013.

The Company's initial 2,000-metre, 15-hole drill program was completed on the property in February, 2011. Later in 2011 the Company entered into an Option/Joint-Venture Agreement (the "Teck Agreement") with Teck Peru S.A. ("Teck Peru"), a wholly owned subsidiary of Teck Resources Limited ("Teck"), to earn an interest in the Alicia property. Drilling at Alicia resumed in October 2013 with a 4,000-metre program which was completed in Q4/13. Teck Peru spent approximately $3.6 million at Alicia including an administration fee amounting to 10% of the exploration expenditures paid to the Company for managing the program .

On February 13, 2014, the Company announced that it had been notified that Teck Peru did not intend to exercise its option to earn an interest in Alicia. Accordingly, activities at Alicia during 2014 have been restricted to site rehabilitation and community relations.

The Company has maintained an active community relations program to keep the local communities at Alicia informed of and involved in the exploration planning process and to ensure that the communities derive benefits from the Company's activities. The original, two-year community agreement required to conduct drilling at Alicia expired in February 2012 and was renewed for a second two-year term which expired in February, 2014. License fees have been paid to keep the property in good standing until June 30, 2016.

In February 2012 the Company announced it had entered into an option agreement with a private Peruvian company to acquire the Caribe copper-molybdenum property (the "Caribe Agreement") in the Region of Apurimac approximately 80 km west of Alicia and within the same copper belt. The Company paid US$20,000 to the vendor to secure the option and was required to make staged payments over three years totaling US$1.2 million (which includes the initial US$20,000 payment) to earn a 100% interest. The three-year option period was to begin upon signing of a community agreement which is required under Peruvian law in order to assure unfettered access to the property. In late 2014, the Company notified the vendor that it was relinquishing its option.

The Company also owns 100% of the Culebrilla and the adjoining Letra Rumi South properties in the Department of Ancash, approximately 250 km north of Lima.

The Company has taken advantage of a one-year grace period to pay licences and penalties in respect of the Culebrilla and Letra Rumi South properties, so that no further payments are due until June 30, 2015. The Company's new management team has no immediate plans for further exploration at these properties and is currently assessing the merits of these properties and their place in the exploration program in Peru

The Company has no other work commitments on any of its properties but may, subject to financing, conduct further work on any or all of them.

The Company reported a total comprehensive loss of approximately $2,846,000 ($0.05 per share) for 2014 compared to $476,000 ($0.01 per share) for 2013. The loss for 2014 includes a write down in the value of mineral properties of $2,453,000. This charge reduces the fair value of the properties to $700,000 which is the management's estimated fair market value at December 31, 2104. Project management fees in 2014 were $32,000 compared with $155,000 in 2013. Teck's drilling program was carried out substantially in the latter stages of 2013; permitting delays resulted in the drilling program being inactive for the first nine months of that year. Expenses in 2014 were approximately $426,000 compared to $659,000 in 2013. There was no charge for stock based compensation in 2014, since no option awards were made during the period. The charge in 2013 was approximately $98,000. Exploration costs in 2014 were lower than 2013 because the Company's financial position did not permit a generative exploration program to be mounted and because staff were assigned to general exploration activities in 2013 pending commencement of drilling activities at Alicia. Other expenses in aggregate for 2014 were lower than for 2013, reflecting staffing cut backs and other cash conservation measures. Since the termination of the Teck program, the Company has been in cash conservation mode and has taken aggressive steps to minimize its costs, operating on a care and maintenance basis pending an improvement in the financing climate for junior mining exploration companies.

As at December 31, 2014, the Company had cash and restricted cash of $18,000 and had a working capital deficiency of approximately $98,000.

Other than project management fees which may be earned under option agreements such as the Teck Agreement, the Company has no other source of operating cash flows. The Company's ability to meet its obligations and continue as a going concern depends on its ability to identify and complete future funding or to enter into an appropriate merger and acquisition arrangement. While the Company has been successful in raising financing to date, there can be no assurance that it will continue to be able to do so in the future.

OVERALL PERFORMANCE

Exploration work to date on the Alicia property has outlined an anomalous copper zone measuring a minimum of 3,600 by 800 metres. From October 2012 until September 2013, the Company's management and legal advisors, in consultation with Teck, engaged extensively with government agencies both in Peru and in Canada to resolve regulatory and permitting issues that had delayed the Alicia drill program. Drilling commenced in early October 2013. A 4,000-metre drilling program was carried out in Q4/13 to test the outcropping central area within that zone. The ten-hole drill program intersected copper mineralization in nine holes and confirmed the existence of a mineralized copper-molybdenum porphyry system and suggests further potential associated with untested soil anomalies to the east and northwest.

During the course of the collaboration with Teck, the Company recovered expenditures of approximately $3.3 million in respect of exploration activity at Alicia and earned management fees of approximately $0.3 million.

Further work, other than necessary care and maintenance, on all the Company's properties was put on hold pending receipt of fresh funding or completion of a successful merger and acquisition arrangement. All of the Company's properties are currently in good standing.

OUTLOOK

In December 2014, the Company and Montan Capital commissioned and received a technical report on the Alicia Property prepared in accordance with NI 43-101. James McCrea P.Geo., the Qualified Person in connection with the report, has recommended that a two phase exploration and work program be undertaken as follows:

Phase I $250,000

- Structural mapping and prospecting $30,000
  Detailed structural mapping and sampling to identify additional skarn or manto showings on the property.
- Soil sampling $50,000
  Grid geochemical sampling to identify gold, silver or copper anomalies that could be

other mineralization not visible on the surface.

- Geophysics, IP/Mag survey $85,000
  Induced polarization/magnetometer survey to identify possible skarn or manto targets.
- Trenching program $85,000
  Surface trenching to check geochemical and geophysical anomalies.

The Phase II program is contingent on positive results from the Phase I program and following a thorough compilation and review by a qualified person the following Phase II program is recommended.

Phase II $450,000

- 1500m Diamond drill program $450,000
  Diamond core drilling to verify the down dip extensions of known veins and geophysical and geochemical anomalies

As a result of the cash infusion resulting from the Transaction and the concurrent financing, management is currently developing plans for further exploration at Alicia and is assessing the merits of further exploration at the Culebrilla and Letra Rumi South properties

RESULTS OF OPERATIONS

During the periods under review, the Company was in the exploration stage and had no revenues other than project management fees. Under IFRS, expenditures on the acquisition of interests in mineral properties and related exploration costs are deferred and capitalized. Exploration expenditures on properties in which the Company does not have a registered or contractual interest are expensed as incurred. If the interests are allowed to lapse or the properties are no longer of interest, accumulated costs are written down. Management has determined that the fair value of the Company's mineral property interest to be approximately $700,000 at December 31, 2014. Accordingly, the Company has recognized an impairment charge of approximately $2,453,000 at December 31, 2014..

YEARS ENDED DECEMBER 31, 2014 AND 2013

Financial results for 2014 include income of $31,774 (2013 - $154,706) for project management fees earned under the Teck Agreement, being 10% of the project costs incurred by Strait and recoverable from Teck during the year. The decrease from the prior year reflects the fact that the majority of Teck's drilling program took place in late 2013 whereas spending in 2014 was mainly on site rehabilitation and community relations.

Management fees and salaries for 2014 were $200,897 compared with $230,930 in 2013. The decrease reflects a reduction in the President's compensation for ten months of the year in light of the Company's deteriorating liquidity and the termination of the Teck option. Professional fees for 2014 were $90,609 compared with $104,455 in 2013. Lower legal fees reflect the reduction in corporate activity. Investor relations and travel for 2014 was $6,956 compared with $30,501 in 2013, reflecting the fact that spending on such programs continued not to be cost effective in the prevailing financing environment.

General exploration costs in 2014 were $19,893 compared with $48,463 in 2013. The Company did not have funds available for a generative exploration program in 2014, whereas exploration staff could not be deployed to the Alicia project for much of 2013 and were assigned to general exploration work. There was no charge for share based compensation in 2014 compared with $98,326 in 2013, reflecting the fact that no options were awarded or vested in the current year.

Office and general expenses in 2014 were $85,654 compared with $113,649 in 2013, reflecting termination of office rental arrangements and other cash conservation measures.

The write down of value of mineral properties of $2,453,491 during 2014 reflects the reduction to fair value of $700,000. Since new management's exploration focus is primarily on the Alicia property and there are no immediate plans for further exploration at the other properties, the full amount of this fair value has been attributed to Alicia.

The loss for 2014 was $2,846,702 compared with $490,571 for 2013.

Summary of Annual Results

	December 31, 2014	**December 31, 2013**
Revenues	$ 31,774	$ 154,706
Net Comprehensive Loss	2,846,527	476,161
Basic and Diluted Loss per share	0.05	0.01
Total Assets	732,611	3,969,732

Summary of Quarterly Results

	December 31, 2014	**September 30, 2014**	**June 30, 2014**	**March 31, 2014**
Revenues	$ 296	$ (17)	$1,510	$ 29,985
Net Comprehensive Loss	2,566,060	73,860	134,390	72,217
Basic and Diluted Loss per share	0.05	0.00	0.00	0.00
Total Assets	732,611	3,223,416	3,305,122	3,529,819

	December 31, 2013	**September 30, 2013**	**June 30, 2013**	**March 31, 2013**
Revenues	$ 125,825	$ 11,585	$ 10,406	$ 6,890
Net Comprehensive (Gain) Loss	(33,188)	124,450	200,756	184,143
Basic and Diluted Loss per share	0.00	0.00	0.01	0.00
Total Assets	3,969,732	3,527,943	3,221,554	3,338,945

Loss per share is calculated using the Treasury Stock Method and is based on the weighted average number of common shares outstanding during each period. Diluted loss has not been calculated since the effect of issuing shares through the exercise of options and warrants would be anti-dilutive.

PROPERTIES

During the years ended December 31, 2014 and 2013, expenditures on mineral properties were approximately $390,000 and $1,863,000, respectively. Of these totals, approximately $317,000 and $1,687,000, respectively, was recovered from Teck. The Company's share of these expenditures, being approximately $73,000 in 2014 and $176,000 in 2013, was initially deferred and capitalized. The Company regularly reviews the carrying values of its mineral properties to determine whether there has been any impairment in terms of the criteria set out in IFRS 6. The review at December 31, 2014 took into account the fact that the aggregate fair value of the properties reflected in the amalgamation transaction between the Company and Montan Capital, was expected to be approximately $700,000. Management determined that this amount was indicative of the value of the properties as at December 31, 2014.

Alicia Property

On February 15, 2013, the Company issued 400,000 shares, with an ascribed value of $28,000, to Panoro Minerals Inc. (the "Vendor") to exercise its option to increase its interest in the 2,593-hectare Alicia copper-gold property to 100% from 55%, subject to a 2% net smelter return royalty (the "NSR"). The Alicia property is located in the Region of Cusco, approximately 500 km southeast of Lima, and lies within the Andahuaylas-Yauri metallogenic belt of porphyry and skarn copper deposits. In total, the Company issued 1,000,000 shares to the Vendor and incurred in excess of US$1.25 million in work expenditures over the three-year term of the agreement.

The Company completed 1,500 metres of core drilling in 2011 with encouraging results. Aerial geophysical surveys and soil sampling at Alicia further demonstrated the potential for porphyry-style copper mineralization. On December 8, 2011, the Company entered into the Teck Agreement whereby Teck had the ability to earn up to a 75% interest in the property. In 2013, Teck Peru funded a 10-hole drill program of approximately 4,000 metres with a focus on the outcropping porphyry areas. The program intersected copper mineralization in nine of the 10 holes. In February 2014 Teck Peru informed the Company that it did not intend to exercise its option to earn an interest in the Alicia Property.

The Company believes that, based on results over the past three years, additional exploration is justified at both the outcropping porphyry and adjacent zones where soil sampling has detected highly anomalous copper values.

Summary cumulative expenditure information for the Alicia property is as follows:

	Balance December 31, 2013	Spending During Year to December 31, 2014	Write Downs During Year to December 31, 2014	Balance December 31, 2014
Alicia Property				
Acquisition costs	$ 82,500	$ -	$ (82,500)	$ -
Deferred exploration costs (1)				
Staking and tenure	126,128	40,410	(166,538)	-
Field exploration and travel	997,183	(2,305)	(637,339)	357,539
Drilling	516,891	-	(230,120)	286,771
Assays	96,002	9,077	(49,389)	55,690
Total - Alicia	1,818,704	47,182	(1,165,886)	700,000

The above expenditures are net of amounts, including value-added taxes, reimbursed by Teck. Cumulative expenditures on Alicia, inclusive of amounts recovered from Teck to December 31, 2014 and 2013 were approximately $4,987,000 and $4,623,000, respectively.

Caribe Property

The Company acquired an option to purchase a 100% interest in the Caribe copper-molybdenum property in the Apurimac Region of Peru in February 2012. The option enabled the Company to earn a 100% interest in the property by making option payments totaling US$1.2 million over a four-year period. There were no work commitments. In view of the financial condition of the Company and the anticipated difficulties in reaching a satisfactory agreement with the local community, the Company relinquished its option to acquire the Caribe property in late 2014.

Summary cumulative expenditure information on the Caribe property is as follows:

	Balance December 31, 2013	Spending During Year to December 31, 2014	Write Downs During Year to December 31, 2014	Balance December 31, 2014
Caribe Property				
Acquisition costs	19,978	-	(19,978)	-
Deferred exploration costs				
Staking and tenure	5,704	-	(5,704)	-
Field exploration and travel	58,583	19,794	(78,377)	-
Assays	2,069	-	(2,069)	-
Total - Caribe	86,334	19,794	(106,128)	-

Culebrilla Property

The Culebrilla gold-silver property consists of three contiguous mining claims totaling 2,200 hectares in the Region of Ancash. Exploration expenditures at Culebrilla have been minimal since 2009 and related primarily to tenure costs. In light of stated objective of Montan management to focus on Alici , the absence of immediate exploration plans for Culebrilla and the substantial fees and penalties involved in maintaining the property in good standing, the Company has written down the expenditures on the property to $ nil.

Summary cumulative expenditure information on the Culebrilla property is as follows:

	Balance December 31, 2013	Spending During Year to December 31, 2014	Write Downs During Year to December 31, 2014	Balance December 31, 2014
Culebrilla Property				
Acquisition costs	821,082	-	(821,082)	-
Deferred exploration costs				
Staking and tenure	190,910	2,340	(193,250)	-
Field exploration and travel	14,811	3,522	(18,333)	-
Assays	1,488	-	(1,488)	-
Total - Culebrilla	1,028,291	5,862	(1,034,153)	-

Letra Rumi South and Letra Rumi South

The Company staked the 900-hectare Letra Rumi South copper-silver property in the Region of Ancash in 2006. The property is contiguous to and south of the Culebrilla property, and is subject to the Culebrilla Royalty because it lies within the area of influence of the original Culebrilla option agreement. Based on the results of mapping, sampling and geophysics, the Letra Rumi South prospect is considered to have potential to host bulk-tonnage copper mineralization. Cumulative expenditures to December 31, 2014, and December 31, 2013, are $147,324. In light of stated objective of Montan management to focus on Alici , the absence of immediate exploration plans for these properties and the substantial fees and penalties involved in maintaining the property in good standing, the Company has written down the expenditures on the property to $ nil.

PROJECT PLANS

Prevailing financial market conditions during 2014 precluded the equity financing required to fund further drilling on the Company's properties and specifically the Alicia property. Accordingly, Company management focused on a merger transaction that would provide the Company with the financial flexibility and liquidity to further exploit the potential of its properties.

The completion of the Transaction between the Company and Montan Capital on March 4, 2015, along with the concurrent financing, positions the Company to move forward with the exploration program recommended in the Technical Report dated December 29, 2014 in respect of the Alicia property. This includes a two phase exploration and work program be undertaken as follows:

Phase I $250,000

- Structural mapping and prospecting $30,000
  Detailed structural mapping and sampling to identify additional skarn or manto showings on the property.
- Soil sampling $50,000
  Grid geochemical sampling to identify gold, silver or copper anomalies that could be other mineralization not visible on the surface.
- Geophysics, IP/Mag survey $85,000
  Induced polarization/magnetometer survey to identify possible skarn or manto targets.
- Trenching program $85,000
  Surface trenching to check geochemical and geophysical anomalies.

The Phase II program is contingent on positive results from the Phase I program and following a thorough compilation and review by a qualified person the following Phase II program is recommended.

Phase II $450,000

- 1500m Diamond drill program $450,000
  Diamond core drilling to verify the down dip extensions of known veins and geophysical and geochemical anomalies

LIQUIDITY

Capital market conditions for junior exploration companies with no cash generating capabilities continued to be very challenging throughout 2014. Subsequent to the termination of the Teck agreement in February 2014, cash conservation measures were adopted and expenditures were restricted to those necessary to maintain the mineral properties in good standing and to maintain basic corporate activities.

At December 31, 2014 , the Company had cash and restricted cash of approximately $18,000 compared to $152,000 at December 31, 2013. The working capital deficiency at December 31, 2014, was approximately $98,000 compared with a surplus of approximately 363,000 at December 31, 2013. The deficiency at December 31, 2014 relates almost entirely to liabilities in respect of management compensation foregone since March of 2014, legal expenses associated with the Montan amalgamation, and accrued audit fees in respect of the 2014 audit.

The amalgamation with Montan Capital and the concurrent financing has improved the liquidity of the Company such that, as at the date of this MD&A the Company has cash of approximately $720,000. Working capital is approximately $728,000.

OUTSTANDING SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. At the date of this MD&A, the Company has 19,723,259 common shares outstanding.

	# of Shares
At December 31, 2013 and December 31, 2014 (1)	**6,203,259**
Issued to shareholders of Montan Capital Corp. through amalgamation effective March 4, 2015	8,000,000
Concurrent financing dated March 4, 2015	5,200,000
Shares issued as a finder's fee in relation to amalgamation	250,000
At the date of this MD&A	**19,653,259**

At the date of this MD&A, the Company has 56,000 warrants outstanding.

	# of Warrants
At December 31, 2013 (1)	**177,000**
Expired	(177,000)
At December 31, 2014	-
Warrants issued as a finder's fee in relation to concurrent financing	56,000
At the date of this MD&A	**56,000**

A summary of the Company's stock options outstanding as of the date of this MD&A is as follows:

	Exercise Price $(1)	Expiry Date	Outstanding(1)
Issued by Strait Minerals Inc.	1.80	Jan.21, 2016	80,000
	1.80	Jan. 4, 2017	90,000
	1.00	Jan.11, 2018	55,000
Issued by Montan Capital Corp.	0.15	March 7, 2020	825,000
	0.20	Dec. 5, 2022	1,000,000
			2,050,000

(1) Reflecting 10-for-1 share consolidation effective March 4, 2015

If all warrants, compensation warrants and options were exercised, the Company would have 21,759,259 common shares outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements at December 31, 2014 and at the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

Included under management fees for the years ended December 31, 2014 and 2013, respectively, is $32,080 and $41,920, in respect of fees for management and administrative services paid to Graham L. Desson Consulting Inc., a firm in which Graham L. Desson, an officer of the Company, is a principal. Included in accounts payable and accrued liabilities is $1,680 (December 31, 2013 - $1,200) with respect to these fees.

Included under general exploration costs and mineral properties for the years ended December 31, 2014 and 2013, respectively, is $14,375 and $32,574 in respect of geological consulting fees paid to Moss Exploration Services, a firm in which Dr. Roger Moss, a director of the Company, is a principal. Included in accounts payable and accrued liabilities is $nil (December 31, 2012 - $2,000) with respect to these fees.

During the years ended December 31, 2014 and 2013, respectively, the Company was billed $50,997 and $48,608, in respect of legal fees paid to Gardiner Roberts LLP, a firm in which William R. Johnstone, a director and officer of the Company, is a principal. Included in accounts payable and accrued liabilities is $31,547 (December 31, 2013 - $3,500) in respect of fees accrued or payable to this firm.

All transactions with related parties are established and agreed by the various parties, approximate the exchange amount and are approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

CHANGES IN ACCOUNTING POLICIES

Changes in Accounting Policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2013. The following new standards have been adopted:

(i) IAS 32, Financial instruments presentation ("IAS 32") was amended by the IASB in December 2011. The amendment clarifies that an entity has a legally enforceable right to offset financial assets and financial liabilities if that right is not contingent on a future event and it is enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendment to IAS 32 is effective for annual periods beginning on or after January 1, 2014.

(ii) IAS 36, Impairment of assets ("IAS 36") was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

(iii) IAS 39, Financial instruments: recognition and measurement ("IAS 39") was amended by the IASB in June 2013. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual period beginning on or after January 1, 2014.

(iv) IFRIC 21 Levies ("IFRIC 21") was issued in May 2013 and is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation clarifies the obligating event that gives rise to a liability to pay a levy. IFRIC 21 is effective for accounting periods commencing on or after January 1, 2014.

(v) IFRS 2, Share-based payments ("IFRS 2") was amended by the IASB in the second quarter of 2014. The amendments change the definition of "vesting condition" and "market condition" in the Standard and add definitions for "performance condition" and "service condition". They also clarify that any failure to complete a specified service period, even due to the termination of an employee's employment or a voluntary departure, would result in a failure to satisfy a service condition. This would result in the reversal in the current period of compensation expense previously recorded, reflecting the fact that the employee failed to complete a specified service condition. These amendments are effective for transactions with a grant date on or after July 1, 2014.

(vi) IFRS 3 Business combinations ("IFRS 3") was amended by the IASB in the second quarter of 2014. The amendments classify the guidance in respect of the initial classification requirements and subsequent measurement of contingent consideration. This will result in the need to measure the contingent consideration at fair value at each reporting date, irrespective of whether it is a financial instrument or a non-financial asset or liability. Changes in fair value will need to be recognized in profit and loss. These amendments are effective for transactions with acquisition dates on or after July 1, 2014.

As far as can be determined at this stage, the Company believes that the adoption of these standards will not have a material impact on its financial results.

CRITICAL ACCOUNTING ESTIMATES

Mineral properties
None of the Company's mineral properties have reached the development stage and as a result are considered exploration and evaluation assets. The Company capitalizes all expenditures that result in the acquisition and retention of mineral properties or an interest therein. The amount shown for mineral properties represents costs to date and does not necessarily reflect present or future values. If the properties are sold, allowed to lapse or are no longer of interest, accumulated costs are written off. Expenditures on properties in which the Company does not have a registered or contractual interest are expensed as incurred. The recoverability of the carrying values of the properties is dependent on the ability of the Company to obtain the necessary financing and permits to continue exploration, the establishment of economically recoverable reserves, future profitable production and/or proceeds from the disposition thereof.

Share based compensation
Share based compensation arising out of the fair value of options granted under the Company's share option plan is recognized as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair-value of the options granted is measured using the Black-Scholes option pricing model. At the end of each financial reporting period the amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest.

Income Taxes
Future income tax assets and liabilities are computed based on differences between the carrying amounts on the balance sheet and their corresponding tax values. Future income tax assets also result from unused loss carry forwards and other deductions. The valuation of future income tax assets is adjusted, if necessary, by way of a valuation allowance to reflect the estimated realizable amount.

Other significant accounting policies are set out in Note 2 to the audited condensed consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents held at a Canadian chartered bank and at two major Peruvian banks, other receivables and accounts payable, some of which are denominated in Canadian dollars, US dollars or Peruvian soles. All financial instruments are designated as fair value through profit and loss ("FVTPL") and are recorded at market value which approximates their carrying value. It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from financial instruments. The Company does not have major commitments to acquire assets in foreign currencies at this time, but in the event of successful future financings the Company expects that significant future expenditures will be denominated in US dollars or Peruvian soles.

COMMITMENTS AND CONTINGENCIES

None

RISK FACTORS

Financing Risk
Further exploration and development of the Company's properties will require additional equity financing. Failure to obtain this financing will result in the delay or indefinite postponement of exploration, development or production on any or all of the properties or even a loss of property interests. The Company will require additional funding to acquire additional property interests. The ability to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as the Company's business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on satisfactory terms. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and existing shareholders may suffer dilution.

Aboriginal Title, Community Relations and Support

Governments in many jurisdictions must consult with aboriginal peoples regarding the grant of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal peoples may require accommodation including undertakings from the Company regarding employment and other matters. Negotiation of such matters may affect the Company's ability to acquire within a reasonable time-frame effective mineral titles in these jurisdictions and may affect the timetable and costs of development. The risk of unforeseen aboriginal title claims also could affect existing operations as well as development of projects and future acquisitions. These legal requirements may affect the Company's ability to expand or transfer existing operations or to develop new projects.

The successful exploration and development of the Company's properties is dependent on support from local communities. A community agreement is required to permit the Company to conduct exploration. There is no assurance that such an agreement can be reached or, if reached, subsequently renewed or extended. The Company is committed to working in partnership with its local communities in a manner which fosters active participation and mutual respect. The Company works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue. The Company regularly consults with the communities close to its exploration activities.

Metals Pricing Risk
The feasibility of the Company's mineral exploration is significantly affected by changes in the market price of gold, copper and silver. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of gold and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Risk of Foreign Operations
In Peru, the jurisdiction in which the Company has its operations and mineral properties, the Company is subject to various political, economic and other uncertainties, including the risks of civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, and changing political conditions. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such changes may have a material adverse effect on the Company's operations.

Other Significant Risks

In addition to the foregoing, the Company's business risks include operating hazards, environmental and other government regulations, competition in the marketplace, and the market for our securities. Its properties are located in Peru and are subject to the laws and regulations of that country. The Company carries on its exploration activity outside of Canada. Accordingly, it is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the US dollar and the Peruvian soles. Such fluctuations may materially affect the Company's financial position and results.

Additional risk factors are set out in the Company's Annual Information Form.