MONTAN MINING CORP.
(FORMERLY STRAIT MINERALS INC.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN CANADIAN DOLLARS)

Wasserman Ramsay

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Montan Mining Corp. (formerly Strait Minerals Inc.):

We have audited the accompanying consolidated financial statements of Montan Mining Corp. (formerly Strait Minerals Inc.) and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013 and the consolidated statements of loss and comprehensive loss, equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

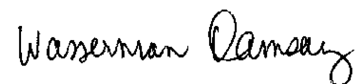
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Montan Mining Corp. (formerly Strait Minerals Inc.) and its subsidiary as at December 31, 2014 and 2013 and and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Markham, Ontario
April 24, 2015

Chartered Accountants
Licensed Public Accountants

MONTAN MINING CORP.
(FORMERLY STRAIT MINERALS INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS - AUDITED

As at:	December 31, 2014	December 31, 2013 (Note)
ASSETS		
Current assets		
Cash and cash equivalents	$ 17,413	$ 36,560
Restricted cash	955	115,746
Receivables and prepaid expenses	12,300	731,601
	30,668	883,907
Fixed assets, net of depreciation *(Note 4)*	1,943	5,172
Mineral properties *(Note 5)*	700,000	3,080,653
	$ 732,611	$ 3,969,732
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 129,247	$ 519,841
Common shares, equity component of warrants, contributed surplus and foreign currency translation gain *(Notes 6, 7 and 8)*	9,497,961	9,538,496
Accumulated deficit	(8,894,597)	(6,088,605)
	603,364	3,449,891
	$ 732,611	$ 3,969,732

Nature of Operations and Going Concern (Note 1)

Note - as per restated audited consolidated financial statements filed on SEDAR May 28, 2014

Approved on behalf of the Board of Directors on April 24, 2015

"James S. Borland"	*"Ian Graham"*
James S. Borland, Director	Ian Graham, CEO and Director

The accompanying notes form an integral part of these consolidated financial statements.

MONTAN MINING CORP.
(FORMERLY STRAIT MINERALS INC.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
EXPRESSED IN CANADIAN DOLLARS - AUDITED

	Year Ended December 31, 2014	Year Ended December 31, 2013
Revenues		
Project management fees earned	$ 31,774	$ 154,706
Expenses		
Management fees and salaries *(Note 11)*	200,897	230,930
Professional fees *(Note 11)*	90,609	104,455
Investor relations and travel	8,210	30,501
Exploration costs	19,893	48,463
Share based compensation *(Note 7)*	-	98,326
Directors' fees and expenses	8,500	10,095
Office and general	85,654	113,649
Listing and regulatory fees	8,840	19,922
Depreciation	3,230	2,744
	425,833	659,085
Other (income) expense		
Write down of value of mineral properties	2,453,491	
Exchange (gain) loss	(848)	(13,745)
Interest income	-	(63)
Loss for the year	2,846,702	490,571
Other comprehensive (income) loss		
Foreign currency translation differences in foreign operation	(175)	(14,410)
Total comprehensive loss	$ 2,846,527	$ 476,161
Weighted average number of common shares outstanding - basic and diluted	62,032,586	58,754,093
Loss per share - basic and diluted	$ 0.05	$ 0.01

The accompanying notes form an integral part of these consolidated financial statements.

MONTAN MNING CORP.
(FORMERLY STRAIT MINERALS INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS - AUDITED

	Year ended December 31, 2014	Year ended December 31, 2013
Cash was provided by (used in) the following activities:		
Operations		
Net loss for the period	$ (2,846,702)	$ (490,571)
Add: items not requiring an outlay of cash:		
Share based compensation	-	98,326
Write-down of mineral properties	2,453,491	
Depreciation	3,229	2,744
Foreign exchange translation gain/(loss)	175	14,410
Net change in non-cash working capital items *(Note 13)*	443,498	(124,285)
Net cash provided by (used for) operations	53,691	(499,376)
Investing		
Fixed asset additions	-	(2,852)
Expenditures on mineral properties	(72,838)	(147,828)
Net cash used for investing activities	(72,838)	(150,680)
Financing		
Issuance of common shares and warrants	-	476,167
Net change in cash and cash equivalents for the period	(19,147)	(173,889)
Cash and cash equivalents, beginning of period	36,560	210,449
Cash and cash equivalents, end of period	$ 17,413	$ 36,560

The accompanying notes form an integral part of these consolidated financial statements.

MONTAN MINING CORP.
(FORMERLY STRAIT MINERALS INC.)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
EXPRESSED IN CANADIAN DOLLARS - AUDITED

	Common Shares	Common Shares	Warrants	Warrants	Foreign Currency Translation Reserve	Contributed Surplus	Accumulated Deficit	Total
	#	$	#	$	$	$	$	$
Balance as at December 31, 2013	62,032,586	7,548,568	1,770,000	40,710	(39,456)	1,988,674	(6,088,605)	3,449,891
Expiry of warrants			(1,770,000)	(40,710)			40,710	-
Net loss for the period	-	-	-	-	-	-	(2,846,702)	(2,846,702)
Other comprehensive income	-	-	-	-	175	-		175
Balance as at December 31, 2014	62,032,586	7,548,568	-	-	(39,281)	1,988,674	(8,894,597)	603,364

	Common Shares	Common Shares	Warrants	Warrants	Foreign Currency Translation Reserve	Contributed Surplus	Accumulated Deficit	Total
	#	$	#	$	$	$	$	$
Balance as at December 31, 2012	56,862,586	6,971,111	3,000,000	114,000	(53,866)	1,890,348	(5,598,034)	3,323,559
Issued for interest in mineral property	400,000	28,000	-	-	-	-	-	28,000
Private placement	1,700,000	79,900	1,700,000	39,100	-	-	-	119,000
Compensation units issued	70,000	4,900	70,000	1,610	-	-	-	6,510
Issue costs	-	(9,343)	-	-	-	-	-	(9,343)
Exercise of warrants	3,000,000	474,000	(3,000,000)	(114,000)	-	-	-	360,000
Share based compensation	-	-	-	-	-	98,326	-	98,326
Net loss for the year	-	-	-	-	-	-	(490,571)	(490,571)
Other comprehensive income	-	-	-	-	14,410	-	-	14,410
Balance as at December 31, 2013	62,032,586	7,548,568	1,770,000	40,710	(39,456)	1,988,674	(6,088,605)	3,449,891

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Strait Minerals Inc. ("Strait" or the "Company") was incorporated under the Business Corporations Act of the Province of Ontario, Canada, on March 7, 2003. The primary business of Strait is the acquisition of, exploration for, and development of mineral properties in Peru. Other than earning interest on its invested funds and project management fees in respect of the Alicia Project, Strait has not earned revenue to date and is considered to be in the development stage.

The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its interests is in good standing.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration will result in profitable mining operations. As at December 31, 2014, Strait has no source of operating cash flows. The Company's ability to meet its obligations and continue as a going concern is dependent on management's ability to identify and complete future financings. While Strait has been successful in raising financing to date, there can be no assurance that it will be able to do so in future.

As at December 31, 2014, the Company had cash and cash equivalents of $17,413 (December 31, 2013 - $36,560) and a working capital deficit of $98,579 (December 31, 2013 – working capital of $364,066).

2. ACCOUNTING POLICIES

Statement of Compliance

These audited consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") using accounting policies as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from these estimates.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned Peruvian subsidiary, Minera Strait Gold Peru S.A.C. ("MSG Peru"). All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Significant Accounting Policies

These audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash balances and demand deposits in a Canadian chartered bank which have an initial term of less than 90 days.

(b) Restricted cash

Restricted cash consists of Peruvian value added tax that can only be applied against the payment of future payroll and corporation tax liabilities of MSG Peru.

(c) Mineral properties

None of the Company's mineral properties has 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, as reduced by impairments, 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.

(d) Impairment of non-financial assets under IAS 36

The Company reviews and evaluates the recoverable amount of its mineral properties when events or changes in circumstances indicate that the carrying amounts of assets or groups of assets might not be recoverable. For the purposes of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of expected future cash flows of the asset). At the end of each reporting period, non-financial assets are reviewed for impairment to determine if there is any indication that the carrying amount may not be recoverable.

Indicators for an impairment review arise typically when any one of the following circumstances applies:

- substantive expenditure on further exploration and evaluation is not planned
- title to the asset is compromised
- adverse changes in the regulatory or taxation environment
- adverse changes in commodity prices and markets

The existence of any of the above conditions may signify that an impairment exists in the fair value of properties.

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.

(e) Long-term assets

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset.

(f) Fixed assets

Fixed assets, which consist of office equipment, are being amortized on a straight-line basis over a period of three years.

g) Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(h) Foreign currencies

The presentation currency of the Company is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, MSG Peru is the US dollar.. The functional currency determinations were made by management based on an analysis of factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

These consolidated financial statements have been translated into Canadian dollars in accordance with IAS 21. This standard requires that assets and liabilities be translated using the exchange rate at period end and that income and expenses and cash flow items be translated using the rate that approximates the exchange rate at the date of the transactions (i.e. average exchange rate for the period).

Transactions in currencies other than the functional currency are recorded at rates of exchange prevailing at the dates of the transactions. At each financial reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated.

(i) 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 the 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.

(j) Comprehensive income

The Company includes in comprehensive income certain gains and losses arising from changes in fair value. Comprehensive income would include the following unrealized gains and losses which are potentially relevant to the Company: changes in the currency translation adjustment arising from translating the financial results of foreign operations to the Company's reporting currency, and unrealized gains and losses on available-for-sale investments.

(k) Financial instruments - recognition and measurement

The Company does not have any derivative financial instruments.

All financial assets are classified into one of the following four categories: fair value through profit or loss ("FVTPL"), held to maturity ("HTM"), available for sale ("AFS") and loans and receivables.

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value and changes are recognized in profit or loss. HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. AFS financial assets subsequent to initial recognition are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company's cash and cash equivalents, and restricted cash have been classified as FVTPL financial assets. The Company does not presently have any financial assets designated as AFS. The carrying value of the Company's cash, cash equivalents, and restricted cash approximates their fair value due to their short-term nature.

The Company has the following non-derivative financial liabilities: amounts payable and accrued liabilities. The carrying value of financial liabilities approximates their fair value due to their short-term nature.

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

(l) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

(m) Income taxes

The Company follows the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(n) Significant judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements and estimates that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Critical Accounting Estimates

Amounts recorded for share based compensation. These are based on estimates. The Black-Scholes model is based on assumptions for volatility, expected number of options to vest, risk-free interest rate and expected life of options.

The recoverability of amounts shown for mineral properties. These are dependent on the discovery of economic resources, the ability of the Company to obtain future financing to complete the development of the properties, and on future production or sale of the properties.

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

Critical Accounting Judgements

The following accounting policies involve judgements or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage; and
- The determination of the functional currency of the Company.

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.

Future Accounting Changes

The following are new pronouncements approved by IASB. These new standards and interpretations are not yet effective and have not been applied in preparing these financial statements, however they may impact future periods.

(i) IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets: Clarification of acceptable methods of depreciation and amortization.

On May 12, 2104, the IASB issued amendment to IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets. In issuing the amendments, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of a tangible asset is not appropriate because revenue generated by an activity that includes the use of the tangible asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that the revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption for an intangible asset, however, can be rebutted in certain limited circumstances. The standard is to be applied prospectively for fiscal years beginning on or after January 1, 2016, with early adoption permitted.

(ii) IFRS 15, Revenues from Contracts and Customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue, which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or a modified retrospective approach when adopting the standard and it is effective for annual periods beginning on or after January 1, 2017.

(iii) IFRS 9, Financial instruments ("IFRS ") was issued by the IASB on July 24, 2014 as a complete standard. This standard replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities. The Standard eliminates the existing categories of held to maturity, available for sale and loans and receivables. On initial recognition, financial assets will be classified into those measures at amortized cost and at fair value.

The mandatory effective date of the new standard is for annual periods beginning on or after January 1, 2018. The Company intends to adopt the standards for the year beginning January 1, 2018. The Company believes that implementation of the new standard will not have a material impact on its financial results.

The Company is currently evaluating the potential impact of these amendments and new standards on its consolidated financial statements.

3. Financial instruments and risk management

The Company reports its financial instruments on its balance sheet and measures these at fair value. In limited circumstances when fair value may not be considered most relevant, they may be reported at cost or amortized cost. Gains or losses as a result of changes in fair value are recognized in the consolidated statement of operations and comprehensive loss.

The Company's financial instruments consist of cash and cash equivalents, other receivables and accounts payable. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

All financial instruments are classified into one of the following five categories: fair value through profit or loss assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities.

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
Level 3 Inputs that are not based on observable market data

The Company has classified all of its financial instruments as Level 1

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments:

	December 31, 2014 Carrying and Fair Value	December 31, 2013 Carrying and Fair Value
Financial Assets		
Cash and cash equivalents (1)	$ 17,413	$ 36,560
Restricted cash(1)	955	115,756
Receivables and prepaid expenses (2)	12,300	731,601
Financial Liabilities		
Accounts payable (3)	44,204	456,156

(1) Cash and cash equivalents and restricted cash are designated as fair value through profit and loss ("FVTPL") and are recorded at market value.
(2) Receivables and prepaid expenses in the prior year include exploration costs at the Alicia Project which were recovered from Teck Peru S.A., credit balances in lawyers' trust accounts and interest receivable on short term bank deposits. Such items are designated as FVTPL and are recorded at market value.
(3) Accounts payable are all short term in nature and are designated as FVTPL and are recorded at market value.

The Company is exposed to various credit and market risks associated with its financial instruments. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Market risk comprises currency risk, interest rate risk and other price risk.

The Company manages these risks as follows:

- Cash and cash equivalents - With the exception of relatively minor amounts held on an ongoing basis by MSG Peru to fund foreign operations, cash and cash equivalents are on deposit with a major Canadian chartered bank and are not considered to be at risk. The functional currency of the Canadian parent company is the Canadian dollar. Cash held in other currencies is limited to amounts required to settle immediate obligations in US dollars or Peruvian soles.
- Accounts payable and accrued liabilities - The exposure to market risk relates to changes in exchange rates. The Company does not hedge its future expenditures in Peruvian soles because it believes that there is a degree of correlation between the Canadian and Peruvian currencies based on the significance of mineral resources to both economies, and because the Company is unable to predict with any certainty when future obligations will be met.

The effect of a change in the CAD:USD and CDN:PEN exchange rates is not considered to be significant given the Company's current expenditure levels.

4. FIXED ASSETS

	December 31, 2014	December 31, 2013
Office Equipment at cost, opening	$ 41,438	$ 41,438
Less: Accumulated amortization	(39,495)	(36,266)
Net fixed assets, closing	$ 1,943	$ 5,172

5. MINERAL PROPERTIES

The Company's principal mineral properties are located in the Departments of Ancash, Apurimac, and Cusco, Peru.

The following tables provide a continuity of the Company's mineral properties for the years ended December 31, 2013 and 2014:

	Balance December 31, 2012	Spending During Year to December 31, 2013	Write Downs During Year to December 31, 2013	Balance December 31, 2013
Alicia Property				
Acquisition costs	$ 54,500	$ 28,000	$ -	$ 82,500
Deferred exploration costs (1)				
Staking and tenure	114,726	11,402	-	126,128
Field exploration and travel	1,026,745	(29,562)	-	997,183
Drilling	461,691	55,200	-	516,891
Assays	74,208	21,794	-	96,002
Total - Alicia	1,731,870	86,834	-	1,818,704
Culebrilla Property				
Acquisition costs	821,082	-	-	821,082
Deferred exploration costs				
Staking and tenure	169,464	21,446	-	190,910
Field exploration and travel	7,051	7,760	-	14,811
Assays	-	1,488	-	1,488
Total - Culebrilla	997,597	30,694	-	1,028,291
Caribe Property				
Acquisition costs	19,978	-	-	19,978
Deferred exploration costs				
Staking and tenure	4,341	1,363	-	5,704
Field exploration and travel	32,651	25,932	-	58,583
Assays	2,069	-	-	2,069
Total - Caribe	59,039	27,295	-	86,334
Other properties	116,319	31,005	-	147,324
TOTAL	**$2,904,825**	**$ 175,828**	**$ -**	**$3,080,653**

(1) Net of costs recovered from Teck Peru S.A. in 2013 of $1,686,837 (cumulative - $2,804,163)

Mineral Properties (Continued)

	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
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)	-
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)	-
Other properties	147,324	-	(147,324)	-
TOTAL	**$ 3,080,653**	**$ 72,838**	**$ (2,453,491)**	**$ 700,000**

(1) Net of costs recovered from Teck Peru S.A. in 2014 of $317,036 (cumulative - $3,121,198). On February 13, 2014, the Company announced that Teck Peru had notified the Company that it had relinquished its option to earn an interest in the Company's Alicia Property.

Impairment and Write-Down to Fair Value

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.

Management has determined that a write-down of mineral properties to an aggregate of $700,000 as 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 properties have been written off in their entirety.

As a result of the above, the aggregate fair value of mineral properties of $700,000 is attributable entirely to the Alicia property has been allocated to the major expense categories in proportion to previous historic spending totals.

Alicia Property

On September 25, 2009, the Company entered into an option and mining lease agreement (the "Alicia Option Agreement" or "AOA") with a Peruvian subsidiary of Panoro Minerals Ltd. ("Panoro") pursuant to which MSG Peru had the right to acquire up to a 100% interest, subject to a 2% net smelter return royalty (the "Alicia Royalty"), in the 2,593 hectare Alicia Property in the Department of Cusco, approximately 500 km southeast of Lima.

Under the terms of the AOA, the Company secured a 55% interest in the Alicia Property by (a) issuing a further 500,000 common shares to Panoro and (b) carrying out work expenditures of US$650,000. The Company issued to Panoro 200,000 common shares, valued at $30,000, on February 14, 2011, and 300,000 common shares, valued at $18,000 on June 10, 2011, and confirmed to Panoro that it had carried out the required work expenditures.

The Company secured the remaining 45% interest in the Alicia Property, by (a) issuing a further 400,000 common shares, valued at $28,000, to Panoro on February 15, 2013 and (b) carrying out work expenditures at the Alicia Property, aggregating US$1.25 million

On December 8, 2011, the Company entered into an Option/Joint Venture Agreement with Teck Peru S.A. ("Teck Peru"), a wholly owned subsidiary of Teck Resources Limited ("Teck"), giving Teck Peru an option to earn up to a 75% interest in the Alicia Property. As a condition of entering into the agreement, Teck made a $600,000 equity investment in the Company through the purchase of 3,000,000 Units of the Company *(Note 6)*. On August 27, 2013, the Company announced that the exercise price of 3,000,000 warrants held by Teck had been reduced to $0.12 from $0.35 per share. On August 29, 2013, the 3,000,000 warrants were exercised by Teck for gross proceeds of $360,000.

On February 13, 2014, the Company announced that Teck Peru had notified the Company that it did not intend to exercise its option to earn an interest in the Company's Alicia Property.

Caribe Property

On February 29, 2012, the Company acquired an option to purchase a 100% interest in the Caribe copper-molybdenum property in the Apurimac Region of Peru. 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 late 2014, the Company relinquished its option to acquire the Caribe property.

Culebrilla Property

MSG Peru holds a 100% interest, subject to a 3% net smelter return royalty (the "Culebrilla Royalty"), in mining claims Culebrilla 1, Rosa Mistica 20 and Rosa Mistica 30 (collectively the "Culebrilla Property") covering 2,200 hectares in Ancash Dept., approx. 250 km north of Lima. The Company has the right to buy back two-thirds of the Culebrilla Royalty at any time for the sum of US$1.0 million for each 1% of royalty.

Letra Rumi South Property

MSG Peru holds a 100% interest in the 900-hectare Letra Rumi South property, which is contiguous to the Culebrilla Property and subject to the Culebrilla Royalty.

6. CAPITAL STOCK

Capital stock is made up as follows:

	December 31, 2014	December 31, 2013
Common shares	$ 7,548,568	$ 7,548,568
Warrants	-	40,710
	$ 7,548,568	$ 7,589,278

Authorized:

Unlimited number of common shares

Issued:

	December 31, 2014	December 31, 2013
Common shares	62,032,586	62,032,586
Warrants	-	1,770,000
	62,032,586	63,802,586

Common Shares - 2014

There were no issuances of common shares during 2014.

Issuance of Common shares – 2013

On January 16, 2013, the Company issued 400,000 common shares, with an ascribed fair value of $28,000 to Panoro Minerals Inc. as the final payment under the Alicia Option Agreement and increased its interest in the Alicia property from 55% to 100%.

On August 27, 2013, the Company announced that it had received approval from the TSX Venture Exchange to reduce the exercise price of 3,000,000 warrants held by Teck to $0.12 from $0.35 per share. On August 29, 2013, the 3,000,000 warrants were exercised for gross proceeds of $360,000.

On September 23 and October 9, 2013, the Company closed the first and second tranches of non-brokered private placements of 1,600,000 units and 100,000 units, respectively, at $0.07 for gross proceeds of $119,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to acquire an additional common share at $0.12 per share for twelve months following the closing of the offering. The Company paid a finder's fee of $2,100 plus 70,000 Compensation Units comprising 70,000 common shares of the Company and 70,000 Compensation Warrants. Each Compensation Warrant entitled the holder to acquire an additional common share at $0.12 per share for twelve months following the closing of the offering. The fair value of the 1,700,000 warrants and 70,000 Compensation Warrants was estimated at $39,100 and $1,610 respectively using a valuation option pricing formula with the following assumptions: expected dividend yield - 0%, expected volatility - 125%, risk-free interest rate - 1.21% and an expected average life of 1 year.

7. STOCK OPTIONS

A summary of the Company's incentive stock options outstanding as at December 31, 2014 and December 31, 2013 and of the changes for the years then ended is presented as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price
At December 31, 2012	**4,225,000**	**$ 0.17**
Granted	1,425,000	0.10
Expired	(100,000)	0.14
At December 31, 2013	**5,550,000**	**$ 0.15**
Expired	(350,000)	0.15
At December 31, 2014	**5,200,000**	**$ 0.15**

The following table reflects the stock options outstanding as at December 31, 2014:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
January 26, 2015	$ 0.10	0.10 years	525,000	$ 48,825
January 21, 2016	0.18	1.10 years	1,575,000	253,575
January 4, 2017	0.18	2.00 years	1,800,000	302,400
January 11, 2018	0.10	3.02 years	1,300,000	89,700
	$ 0.15	**1.90 years**	**5,200,000**	**$ 694,500**

As at December 31, 2014, all of the 5,200,000 issued and outstanding stock options were fully vested and exercisable.

8. WARRANTS

A summary of the Company's warrants at December 31, 2014 and December 31, 2013 and of the changes for the years then ended is presented below:

	# of Warrants	Weighted Average Exercise Price $
At December 31, 2012	3,000,000	0.12
Issued in Private Placements	1,700,000	0.12
Compensation Units	70,000	0.12
Exercised	(3,000,000)	0.12
At December 31, 2013	**1,770,000**	**0.12**
Expired	1,770,000	0.12
At December 31, 2014	**-**	

During the year, 1,770,000 warrants to purchase common shares expired. The value of $40,710 originally attributed to these warrants has been credited to the accumulated deficit component of shareholders' equity.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to it, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish the quantitative return on capital criteria for management, but relies on the expertise of management to sustain the future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administration costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in new properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There was no change in the Company's approach to capital management during the year ended December 31, 2014 compared to the year ended December 31, 2013. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

10. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants and stock options, is the same as basic loss per share for the periods ended. The effect of potential issuances of shares under options and warrants would be anti-dilutive in the years ended December 31, 2014 and 2013, as they would decrease the loss per share, consequently the weighted average number of shares outstanding for basic and diluted are the same.

11. RELATED PARTY TRANSACTIONS

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.

Compensation of key management personnel for the years ended December 31, 2014 and 2013 is summarized as follows:

	Year Ended December 31, 2014	2013
Salaries and benefits	**$ 134,914**	$ 179,755
Share-based compensation	**-**	63,825
	$ 134,914	$ 243,580

As of December 31, 2014, Teck controls 9,000,000 common shares of the company or approximately 15% of the total common shares outstanding. To the knowledge of the directors and executive officers of the Company, the remaining common shares of the Company were widely held. As of December 31, 2014, directors and officers of the Company collectively control 5,003,638 common shares of the company or approximately 8% of the total common shares outstanding.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the years ended December 31, 2014 and 2013.

12. INCOME TAXES

The Company has approximately $3,700,000 (2013 - $3,323,500) in Canadian non-capital loss carry forwards which can be used to reduce future taxable income. The losses have not been recognized in these financial statements and will expire in the fiscal years ending on December 31, as follows:

2015	$17,000
2026	269,000
2027	450,000
2028	387,000
2029	278,000
2030	345,000
2031	519,000
2032	587,000
2033	479,000
2034	369,000
	$ 3,700,000

In addition to the above noted Canadian loss carry-forwards, the Company has approximately $1.3 million in loss carry-forwards in Peru which can be carried forward indefinitely. The Company also has approximately $4.0 million in resource property costs which can be used to offset future taxable income without expiry.

The provision for (recovery of) income taxes differs from the amount that would have resulted by applying Canadian statutory tax rates of 26.25% (2012 – 26.25%.

	2014	**2013**
Loss before taxes	$ (2,846,702)	$ (490,571)
Expected income tax expense (recovery) using statutory rates	(754,300)	(128,775)
Non-deductible expenses and other	657,0007	17,000
Valuation allowance on loss carry-forwards	97,300	111,775
Income tax provision	$ -	$ -

The Company has deferred income tax assets at the Company's statutory tax rate as noted below:

	December 31, 2014	December 31, 2013
Loss carry forwards	$ 925,500	$ 1,175,000
Minerals properties	(839,000)	2(327,000)
Less: Valuation allowance	(1,764,500)	(848,000)
	$ -	$ -

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31, 2014	Year Ended December 31, 2013
Net change in non-cash working capital items:		
Restricted cash	$ 114,791	$ (42,695)
Prepaid expenses and receivables	719,301	(485,562)
Accounts payable and accrued liabilities	(390,594)	403,972
	$ 443,498	$ (124,285)
Non-cash investing and financing activities:		
Common shares issued for mineral properties	$ -	$ 28,000
Net change in accounts payable and accrued liabilities related to investment in mineral properties	$ -	$ -

14. SEGMENTED INFORMATION

The Company's sole source of revenues is management fees earned on exploration activities in Peru. The Company's operating segments include three properties in Peru and corporate activities in Canada.

As at December 31, 2014

	Cash, Cash Equivalents, and Restricted Cash	Mineral Properties	Fixed Assets	Receivables and Prepaids	(Profit)/ Loss
Peru	$ 4,122	$ 700,000	$ 1,943	$ -	$ 2,539,480
Canada	14,246	-	-	12,300	305,234
	$ 18,368	$ 700,000	$ 1,943	$ 12,300	$ 2,844,714

As at December 31, 2013

	Cash, Cash Equivalents, and Restricted Cash	Mineral Properties	Fixed Assets	Receivables and Prepaids	Loss/(Gain)
Peru	$ 128,144	$ 3,080,653	$ 4,944	$ 709,411	$ (34,302)
Canada	24,162	-	228	22,190	510,463
	$ 152,306	$ 3,080,653	$ 5,172	$ 731,601	$ 476,161

15. SUBSEQUENT EVENTS

Amalgamation and Change of Name

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”). A finder’s fee of 250,000 Montan shares would be issueable in relation to the Transation.

The Company and Montan Capital filed on SEDAR a joint information circular on January 6 , 2015 to obtain approval from their shareholders of the amalgamation agreement at shareholders’ meetings to be held on February 24, 2015.

On March 6, 2015 Montan, formerly Strait Minerals Inc., announced the closing of the Transaction. The Montan Shares are listed for trading on the TSX Venture Exchange under the symbol “MNY”.

Since the Consideration Shares represent approximately 56% of the total issued and outstanding Strait common shares as of the Closing, the shareholders of Montan Capital control Montan. Accordingly the Transaction will be accounted for as a reverse acquisition.

Concurrent Financing

In connection with the closing of the Amalgamation, Montan completed the first tranche of the concurrent financing and raised gross proceeds of $520,000 by the issuance of 5,200,000 Montan Shares at a price of $0.10 per Montan Share. Montan paid an aggregate finder’s fee of $5,600 and also issued finder’s warrants which entitle the holders to purchase up to 56,000 Montan Shares at a price of $0.10 per Montan Share for a period of 12 months. All Montan Shares issued in connection with the concurrent financing are subject to a statutory hold period expiring on July 5, 2015.