

**RE: CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED) FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017**

The third quarter financial statements for the three and nine months ended April 30, 2017 and 2016 have not been reviewed by the auditors of Montan Mining Corp.

MONTAN MINING CORP.

“Anthony Balic”

Anthony Balic

Chief Financial Officer



Montan Mining Corp. (formerly Strait Minerals Inc.)

Condensed Consolidated Interim Financial Statements
For the three and nine months ended April 30, 2017 and 2016
(Unaudited - expressed in Canadian dollars, except where indicated)

Montan Mining Corp. (formerly Strait Minerals Inc.)
Condensed Consolidated Interim Statements of Financial Position

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Note	April 30, 2017	July 31, 2016
Assets			
Current assets			
Cash		\$ 4,892	\$ 2,996
Other receivables	5	163,394	17,840
Inventory		6,842	-
Prepaid expenses	5	364,394	138,014
Total assets		\$ 539,522	\$ 158,850
Property plant and equipment			
Property plant and equipment	6	502,175	-
Mineral Properties	6	1,226,660	-
Total assets		\$ 2,268,357	\$ 158,850
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 562,729	\$ 160,940
Director loan	8	-	10,000
Convertible debenture	7	129,070	128,532
Loan payable - advance		-	27,025
		691,799	326,497
Loan payable	10	552,296	-
Loan payable - advance	9	28,435	-
Total liabilities		\$ 1,272,530	\$ 326,497
Shareholders' equity (deficiency)			
Share capital	11	4,237,918	3,066,610
Reserves	11,12	2,956,166	734,914
Deficit		(6,198,257)	(3,969,171)
Total shareholders' equity (deficiency)		995,827	(167,647)
Total liabilities and shareholders' equity		\$ 2,268,357	\$ 158,850

Nature of operations (note 1)

Approved by the Board of Directors

 "Ian Graham"

Director

 "Luis Zapata"

Director

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

Montan Mining Corp. (formerly Strait Minerals Inc.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Note	Three Months Ended April 30,		Nine Months Ended April 30,	
		2017	2016	2017	2016
General and administration expenses					
Administrative fees		\$ (227,134)	\$ (10,926)	\$ (365,467)	\$ (117,961)
Amortization		(7,568)		(7,568)	
Consulting fee		(114,768)	(38,588)	(506,680)	(409,227)
Exploration expense		-	(15,936)	(401,662)	(21,358)
Foreign exchange		(770)	(325)	7,053	319
Investor communications		(142,932)	(57,750)	(358,258)	(143,458)
Legal and professional fee		(44,531)	(7,490)	(115,674)	(94,164)
Stock-based compensation	12	-	-	(457,185)	-
		(537,703)	(131,015)	(2,205,441)	(785,849)
Other expense					
Finance cost – accretion	7(a),9	(469)	(2,969)	(1,948)	(10,176)
Finance cost – interest expense	7(a)(b),9	(6,728)	(22,228)	(18,200)	(42,407)
Other income		(6,093)	-	5,831	32,420
Gain on settlement of accounts payable			99,892	4,428	99,892
Loss on issuance of shares		(13,756)	-	(13,756)	-
Write-off of Goldsmith Resource SAC		-	-	-	(698,818)
Loss for the period		(564,749)	(56,320)	(2,229,086)	(1,404,938)
Other comprehensive (loss) income (“OCI”)					
Cumulative translation adjustment		62,432	-	87,503	-
Loss and comprehensive loss for the period		(502,317)	(56,320)	(2,141,583)	(1,404,938)
Loss per share					
Basic and diluted		\$ (0.01)	\$ (0.00)	(0.04)	\$ (0.06)
Weighted average shares outstanding					
Basic and diluted		76,145,202	28,528,954	58,904,272	25,089,959

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

Montan Mining Corp. (formerly Strait Minerals Inc.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity and Deficit

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Note	Shares	Share capital	Convertible debenture equity component	Contingent Shares	Foreign currency Translation reserves	Reserves	Deficit	Total equity
Balance as at July 31, 2016		38,495,125	\$ 3,066,610	\$ 6,454	\$ -	\$ -	\$ 728,460	\$ (3,969,171)	\$ (167,647)
Share issuance – private placement	11	34,406,357	523,092	-	-	-	1,467,501	-	1,990,593
Share issuance – warrants exercised	12(b)(ii)	312,500	26,562	-	-	-	(10,937)	-	15,625
Stock based compensation	12	-	-	-	-	-	457,185	-	457,185
Contingent shares on acquisition	6	-	-	-	220,000	-	-	-	220,000
Shares issued on acquisition	6	10,000,000	550,000	-	-	-	-	-	550,000
Share issued for debt	9&11	1,102,364	71,654	-	-	-	-	-	71,654
Cumulative translation adjustment		-	-	-	-	87,503	-	-	87,503
Net loss for the period		-	-	-	-	-	-	(2,229,086)	(2,229,086)
Balance as at April 30, 2017		84,316,346	\$ 4,237,918	\$ 6,454	\$ 220,000	\$ 87,503	\$ 2,642,209	\$ (6,198,257)	\$ 995,827

	Notes	Shares	Share capital	Convertible debenture equity component	Contingent Shares	Foreign currency Translation reserves	Reserves	Deficit	Total equity
Balance as at July 31, 2015		22,601,037	\$ 2,386,614	\$ -	\$ -	\$ -	\$ 520,581	\$ (1,488,427)	\$ 1,418,768
Share issuance - private placements	12	1,428,625	33,189	-	-	-	81,101	-	114,290
Convertible debenture issuance	7	-	-	17,297	-	-	-	-	17,297
Convertible debenture settlement		1,734,880	170,689	(10,843)	-	-	52,045	-	211,891
Shares issuance to settle liabilities		7,068,083	212,042	-	-	-	50,845	-	262,887
Net loss for the period		-	-	-	-	-	-	(1,404,938)	(1,404,938)
Balance as at April 30, 2016		32,832,625	\$ 2,802,534	\$ 6,454	\$ -	\$ -	\$ 704,572	\$ (2,893,365)	\$ 620,195

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

Montan Mining Corp. (formerly Strait Minerals Inc.)
Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Note	For Three Months Ended April 30,		For Nine Months Ended April 30,	
		2017	2016	2017	2016
Cash used from operating activities					
Net loss for the period		\$ (564,749)	\$ (56,320)	\$ (2,229,086)	\$ (1,404,938)
Items not affecting cash					
Amortization		7,568	461	7,568	1,489
Share-based compensation	12	-	-	457,185	-
Unrealized foreign exchange gain		(18,992)	-	(12,148)	-
Gain on settlement of accounts payable		-	(99,892)	(4,428)	(99,892)
Loss on issuance of shares		(13,755)	-	(13,755)	-
Write-off of Goldsmith Resource SAC		-	-	-	698,818
Finance cost – accretion expense	7(a),9	469	2,969	1,948	10,176
Change in non-cash operating working capital					
Decrease (Increase) in other receivables		(21,944)	3,780	(45,473)	44,205
Decrease (Increase) in prepaid expenses		28,939	56,023	(96,589)	30,248
Increase (decrease) in accounts payable and accrued liabilities		110,909	66,859	170,571	434,300
Net cash used in operating activities		(471,555)	(26,120)	(1,764,207)	(285,594)
Cash flows from financing activities					
Proceeds from deposits of convertible debenture		-	-	-	261,533
Proceeds from private placements	11(a)	495,274	-	1,857,393	114,290
Proceeds from Director's Loan (net)	8	-	-	-	40,000
Proceeds from short-term loan	9	-	-	-	-
Proceeds from warrants exercised	11(b)(ii)	-	-	15,625	-
Repayment of loan payable	10	(50,409)	-	(50,409)	-
Advance from loan payable		-	30,000	-	30,000
Net cash received in financing activities		444,865	30,000	1,822,609	445,823
Cash flows used in investing activities					
Cash acquired on acquisition		-	-	13,080	-
Purchase of mineral property		-	-	(69,586)	-
-Advances -Goldsmith Resources SACs		-	-	-	(214,134)
Net cash from (used) in investing activities		-	-	(56,506)	(214,134)
Increase (decrease) in cash		(26,690)	3,880	1,896	(53,905)
Cash - beginning of year		31,582	2,549	2,996	60,334
Cash - end of period		4,892	6,249	4,892	\$ 6,429

Supplemental cash flow information (note 16)

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

1 Nature of operations and going concern

Montan Mining Corp. (formerly Strait Minerals Inc.) ("the Company") was incorporated under the Business Corporations Act of the Province of Ontario, Canada, on March 7, 2003.

The head office of the Company is located at Suite 1201 – 1166 Alberni St., Vancouver, BC, V6E 3Z3 Canada and the registered office of the Company is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 1H2.

The Company is in the process of exploring its resource properties and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

Going concern

At April 30, 2017, the Company had net working capital deficit of \$152,277 had not yet achieved profitable operations, had accumulated losses of \$6,198,257 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work program on its mineral properties, meet its on-going levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. In the past, the Company has been successful in obtaining financing, although there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these condensed consolidated interim financial statements. These adjustments could be material.

2 Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2016.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed consolidated interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended July 31, 2016. In addition the accounting policies applied in these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended July 31, 2016.

The Company's interim results are not necessarily indicative of its results for a full year.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on June 29, 2017.

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

New Accounting Standards Issued but Not Yet Effective

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, 2014, 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 9”) 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 condensed consolidated interim financial statements.

3 Estimates, risks and uncertainties

The amounts recorded for share based compensation 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.

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
- The determination of the functional currency of the Company.

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

4 Financial instruments

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, other receivables, accounts payable, accrued liabilities, director loan, and loans 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

Fair values of financial instruments

The Company has classified all of its financial instrument at Level 1.

The fair values of financial instruments are summarized as follows:

	April 30, 2017		July 31, 2016	
	Carrying value \$	Fair value \$	Carrying value \$	Fair value \$
Financial assets				
<i>Fair value to profit and loss ("FVTPL")</i>				
Cash	4,892	4,892	2,996	2,996
Other receivables	163,394	163,394	17,840	17,840
Financial liabilities				
<i>Other financial liabilities</i>				
Accounts payable & accrued liabilities	562,729	562,729	160,940	160,940
Director loan	-	-	10,000	10,000
Loan payable	552,296	552,296	-	-
Loan payable - advance	28,435	28,435	27,025	27,025

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, and marketable securities. The Company's cash are held through large Canadian financial institutions.

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as described in Note 15. The accounts payable and loans are due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. Some of these investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their properties. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash and cash equivalents or fixed income securities. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity.

Foreign Exchange Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in the Canada and Peru. Certain costs and expenses are incurred in US dollars and Peruvian sol. The Company attempts to mitigate currency risk through the preparation of short and long term expenditure budgets in the foreign currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

The Company's financial assets and liabilities as at April 30, 2017 are denominated in United States Dollars, Canadian Dollars, and Peruvian Sols, and are set out in the following table:

	Canadian Dollars	US Dollars	Peruvian Sols	Total
Financial assets				
Cash and cash equivalent	\$ 3,086	\$ 748	\$ 1,058	\$ 4,892
Receivables - other	49,457	-	113,937	163,394
	52,543	748	114,995	168,286
Financial liabilities				
Accounts payables and accrued liabilities	(302,074)	(156,394)	(104,262)	(562,730)
Loan payable	-	(552,296)	-	(552,296)
Loan payable - advance	(28,435)	-	-	(28,435)
Net financial (liabilities) assets	\$ (277,966)	\$ (707,942)	\$ 10,733	\$ (975,175)

The Company's financial assets and liabilities as at July 31, 2016 are denominated in United States Dollars, Canadian Dollars, and Peruvian Sols, and are set out in the following table:

Montan Mining Corp. (formerly Strait Minerals Inc.)
Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Canadian Dollars	US Dollars	Peruvian Sols	Total
Financial assets				
Cash and cash equivalent	\$ 2,996	\$ -	\$ -	\$ 2,996
Receivables - other	17,840	-	-	17,840
	20,836	-	-	20,836
Financial liabilities				
Accounts payables and accrued liabilities	(137,519)	(23,421)	-	(160,940)
Loan payable	(37,025)	-	-	(37,025)
Director loan	(10,000)	-	-	(10,000)
Net financial (liabilities) assets	\$ (163,708)	\$ (23,421)	\$ -	\$ (177,129)

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and US dollar to Peruvian Sol exchange rate. As of April 30, 2017, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial assets by approximately \$70,794 (July 31, 2016 - \$2,342). A 10% depreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. A 10% appreciation of the Peruvian Sol relative to the CAD dollar would have decreased net financial asset by approximately \$1,073 (July 31, 2016 - \$16,371) and a 10% depreciation of the Peruvian Sol would have had an equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

5 Receivables and prepaid expenses

	April 30, 2017	July 31, 2016
GST receivable	\$ 49,457	\$ 17,840
Peruvian tax credits	75,126	-
Other receivables	38,811	-
Other receivables - total	163,394	17,840
Prepaid expenses	364,394	138,014

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

6 Cerro Dorado SAC (“CD”) Investment

On January 17, 2017, the Company completed the acquisition of Cerro Dorado SAC (“CD”), a Peruvian Company. The Company purchased 100% of the shares of CD with assets that comprise an option on the Rey Salomon mine in Peru, a 60 tpd CIL processing plant, and the associated permits, lease, access rights and mineral tenures, under the following terms:

- Consideration for the acquisition from Montan will consists of the following:
 1. 10 million Montan Shares on execution of sale (adjusted as outlined previously) to be held in escrow and released at 1.5 million shares at the end of every 6 months from the day of closing.
 2. 2 million Montan Shares upon sale of 1,000 oz Silver-contained ore or dore from either the mine or the plant.
 3. 2 million Montan Shares upon sale of an additional 2,000 oz Silver-contained ore or dore (3,000 oz total) from either the mine or the plant.
 4. Assumption of \$300,000 USD owed by CD in Peru, which MNY will assume. The initial share payment to Chazel will be adjusted for the difference between this value and the actual debt value at the date of closing using the 20-day VWAP of the MNY shares.
 5. Debt owed to the owners of the Rey Salomon mine, including monthly payments and buyout, which the Company would assume.

The purchase price allocation is summarized as follows:

10,000,000 common shares of the Company at \$0.055 CAD a share	550,000
2,000,000 contingent shares upon 1,000 ounces at \$0.055 CAD a share	110,000
2,000,000 contingent shares upon additional 2,000 ounces at \$0.055 CAD a share	110,000
Amount payable to the owners of the Rey Salomon mine	191,005
Total consideration	\$ 961,005

Allocated to:

Cash	13,080
Receivables and other	100,201
Prepaid expenses	129,790
Inventory	6,332
Property plant and equipment	470,997
Mineral Property	1,065,132
Accounts payable	(248,375)
Loans payable	(576,152)
Total consideration	\$ 961,005

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

(Unaudited - amount expressed in Canadian dollars, except where indicated)

	Plant	Vehicles	Other Equipment	Total
Cost				
Acquired on January 17, 2017	408,048	24,467	38,482	470,997
Current period additions	-	-	-	-
Movement in foreign exchange	33,568	2,012	3,166	38,746
Balance at April 30, 2017	441,616	26,479	41,648	509,743
Accumulated Depreciation				
Acquired on January 17, 2017	-	-	-	-
Depreciation expense	7,271	115	182	7,568
Balance at April 30, 2016	7,271	115	182	7,568
Carrying Amount				
Balance at April 30, 2017	434,345	26,364	41,466	502,175

	Mineral Properties
Cost	
Acquired on January 17, 2017	1,065,132
Current period additions	69,586
Movement in foreign exchange	91,942
Balance at April 30, 2017	1,226,660

7 Convertible debenture

- (a) On September 14, 2015, the Company issued convertible debentures in the aggregate amount of \$129,070. Each note accrues simple interest at 14% per annum until maturity, being one year from issuance. The principal amount of each note is convertible at any time at a price of \$0.125 into units of the Company comprising one share and one share purchase warrant. Each whole warrant may be exercised at an exercise price of \$0.175 into one additional common share of the Company for a period of 2 years from closing of the note financing. Based on the discount factor of 20% over the loan life of one year, the equity portion was valued at \$6,454. Accretion for the debenture for three and nine months ended April 30, 2017 was \$538 (April 30, 2016 - \$1,613 & \$4,302) related to this loan. Annual interest expense of this debenture of \$18,070 was prepaid upon issuance of the convertible debenture. During the three and nine months ended April 30, 2017, \$1,473 (April 30, 2016 - \$4,517 & \$12,047) were amortized from prepaid expense, respectively.

	April 30, 2017	July 31, 2016
Convertible debenture principal issued	\$ 129,070	\$ 129,070
Equity portion	(6,454)	(6,454)
Accretion	6,454	5,916
Convertible debenture carrying value	\$ 129,070	\$ 128,532

Montan Mining Corp. (formerly Strait Minerals Inc.)

Notes to Condensed Consolidated Interim Financial Statements

For the nine months ended April 30, 2017 and 2016

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- (b) On September 8, 2016, the two holders of the convertible notes from above agreed to an extension in the term by a period of one year. Each Note accrues simple interest at 14% per annum. The principal amount of each note is convertible at any time at a price of \$0.125 into units of the Company comprising one common share and one common share purchase warrant. Each whole warrant may be exercised at an exercise price of \$0.175 into one additional common share of the Company for a period of 2 years from closing of issuance. During the three and nine months ended April 30, 2017, \$4,406 and \$11,634 (April 30, 2016 - \$Nil) were recorded as extended convertible debt interest expense.

8 Director's loan

On August 19, 2015, a director of the Company advanced a non-interest bearing loan of \$50,000 to the Company of which \$10,000 repaid cash. On March 15, 2016, the Company settled the balance of the debt through issuance of 800,000 shares with a deemed value of \$0.05. The carrying value of the debt of \$40,000 was recorded to share capital.

On July 29, 2016, another director of the Company advanced a non-interest bearing loan of \$10,000 to the Company. During the second quarter of 2017, the Company repaid the full amount of the loan outstanding. The outstanding balance of this loan is \$nil as at January 31, 2017 (July 31, 2016 - \$10,000) (see note 13).

9 Loan payable – advance

On April 5, 2016, the Company entered into a loan agreement for \$30,000 with a private Canadian company. The loan accrues interest at a rate of 12% per annum, payable annually beginning February 5, 2017 with full repayment of unpaid interest and principle due on February 8, 2018. The fair value of the common shares, \$3,600, on date of execution has been recorded as transaction costs and were netted against the loan. As at April 5, 2017, the Company issued 120,000 common shares to settle the transaction costs. (see note 11(a)(viii)) The fair value of the Montan share as at the date of issuance is \$0.065, a loss of \$4,200 on shares issued recorded for this transaction.

During the three and nine months ended April 30, 2017, \$470 and \$1,410 (April 30, 2016 - \$nil) were recorded as accretion expense, respectively. During the three and nine months ended April 30, 2017, \$900 and \$2,700 (April 30, 2016- \$nil) were recorded as interest expenses, respectively. As at April 30, 2017, the Company has accrued interest payable of \$3,900 for this loan (July 31, 2016 – \$1,200).

	April 30, 2017	July 31, 2016
Opening balance	\$ 27,025	\$ -
Loan	-	30,000
Transaction cost	-	(3,600)
Finance cost – accretion expense	1,410	625
	\$ 28,435	\$ 27,025

10 Loan payable

As part of the Cerro Dorado acquisition, the Company acquired a secured loan payable to M&F Minera Ofir S.A.C. (“OFIR”). The total amount owing to OFIR is USD \$453,968 with an effective interest rate of 2.6% per annum which will be repaid in 24 equal monthly installments of USD \$18,915 commencing January 25, 2017 and ending December 25, 2018. During the three and nine months ended April 30, 2017, \$6,931 (April 30, 2016- \$nil) were recorded as interest expenses, respectively Subsequent to April 30, 2017, the payments for April and May have been paid.

	April 30, 2017	July 31, 2016
Balance acquired on January 17, 2017	\$ 576,152	\$ -
Installment	(50,409)	-
Foreign exchange	26,553	-
	\$ 552,296	\$ -

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11 Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

During the nine months ended April 30, 2017, 4,554,000 (July 31, 2016 – 4,544,000) common shares are held in escrow and scheduled to be released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX Venture and as to the remainder in six equal tranches of 15% every six months thereafter, for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If a Final Exchange Bulletin is not issued the shares will not be released from escrow and if the Company is delisted, the shares will be cancelled.

In addition to the above, as at April 30, 2017 the Company had 7,500,000 (July 31, 2016 – Nil) common shares held in escrow as part of the Cerro Dorado acquisition (see note 6). In total 10,000,000 shares were to be issued and 1,000,000 were released from escrow on closing on January 17, 2017, and 1,500,000 common shares will be released on every six (6) month anniversary of closing until all common shares are released by the end of 3 years.

(a) Share issuance

- i) On August 25, 2016, the Company closed a private placement for 4,700,000 units at a price of \$0.10 for gross proceeds of \$470,000. Each unit consist of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at a price of \$0.15 until expiry on August 25, 2018. The share purchase warrant's fair value of \$281,105 was recorded in the reserves. Of 4,700,000 common shares issued, 1,082,000 were issued to settle the certain debts owed to two vendors.
- ii) On October 27, 2016, the Company closed a private placement for 8,170,000 units at a price of \$0.05 for gross proceeds of \$408,500. Each unit consist of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at a price of \$0.10 for a period of five years after the closing date. The share purchase warrant's fair value of \$392,897 was recorded in the reserves. Of 8,170,000 common shares issued, 200,000 were issued to settle the certain debts owed to a vendor. The Company paid finder fee of \$1,750 related to this private placement. Company paid finder's fee in the aggregate amount of \$1,750.
- iii) On December 15, 2016, the Company closed a private placement for 9,341,387 units at a price of \$0.05 for gross proceeds of \$467,069. Each unit consists of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of five years after closing date. The share purchase warrant's fair value of \$446,247 was recorded in the reserves. The Company paid finder's fee in the aggregate amount of \$3,500.
- iv) On January 13, 2017, the Company closed a private placement for 3,100,000 units at a price of \$0.05 for gross proceeds of \$155,000. Each unit consists of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of five years after closing date. The share purchase warrant's fair value of \$147,465 was recorded in the reserves.
- v) On April 13, 2017, the Company closed a private placement for 9,094,970 units at a price of \$0.055 for gross proceeds of \$500,223. Each unit consists of one common share and one half common share purchase warrant. Each warrant will be exercisable into one common share at \$0.10 for a period of two years after closing date. The share purchase warrant's fair value of \$199,788 was recorded in the reserves. The Company paid finder's fee in the aggregate amount of \$4,950.
- vi) On April 13, 2017, the Company issued the 650,164 common shares at price of \$0.065 per share to settle certain debts acquired in the Cerro Dorado acquisition, a loss of \$4,875 on shares issued was recorded.
- vii) On April 19, 2017, the Company issued the 332,200 common shares at price of \$0.065 per share to settle certain debts owned to an arms-length party, a loss of \$4,681 on shares issued was recorded.
- viii) On April 19, 2017, the Company issued the 120,000 common shares at price of \$0.065 per share to settle transaction cost from a third-party loan, a loss of \$4,200 on shares issued was recorded. (see note 9).

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(b) Share purchase warrants

- ix) On August 25, 2016, the Company closed private placement financing for 4,700,000 units (see note 11(a)(i)). The fair values of the warrants issued was calculated at \$281,105 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.52% risk free interest rate, expected life of 2 years, 205% annualized volatility and 0% dividend rate.
- x) On September 19, 2016, 312,500 warrants were exercised with a strike price of \$0.05 per share for total proceeds of \$15,625.
- xi) On October 27, 2016, the Company closed private placement financing for 8,170,000 units (see note 11 (a)(ii)). The fair values of the warrants issued was calculated at \$382,897 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.63% risk free interest rate, expected life of 5 years, 197% annualized volatility and 0% dividend rate.
- xii) On December 15, 2016, the Company closed a private placement for 9,341,387 units (see note 11(a)(iii)). The fair values of warrants issued was calculated at \$446,247 and was determined on the date of issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.63% risk free interest rate, expected life of 5 years, 191% annualized volatility and 0% dividend rate.
- xiii) On January 13, 2017, the Company closed a private placement for 3,100,000 units (see note 11(a)(iv)). The fair value of warrant was calculated at \$147,465 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.63% risk free interest rate, expected life of 5 years, 188% annualized volatility and 0% dividend rate.
- xiv) On April 13, 2017, the Company closed a private placement for 9,094,971 units (see note 11(a)(viii)). The total warrants issued were 4,547,487. The fair value of warrant was calculated at \$199,788 and was determined on the date of the issuance using the Black-Scholes option pricing model with the following weighted average assumptions: 0.74% risk free interest rate, expected life of 2 years, 177% annualized volatility and 0% dividend rate.

The following is a summary of the share purchase warrants outstanding as at April 30, 2017 and July 31, 2016:

	April 30, 2017		July 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of year	6,718,647	\$ 0.14	1,529,889	\$ 0.24
Issued	29,858,877	0.11	5,244,758	0.11
Expired	(471,875)	0.12	(56,000)	0.15
Exercised	(312,500)	0.05	-	-
Outstanding – as at April 30, 2017	35,793,149	\$ 0.11	6,718,647	\$ 0.14

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Number of warrants	Exercise price per warrant	Expiry date
1,473,889	\$0.25	July 6, 2017
894,250	\$0.12	October 19, 2017
62,500	\$0.12	October 21, 2017
1,734,883	\$0.175	March 15, 2018
1,768,750	\$0.05	May 19, 2018
4,700,000	\$0.15	August 25, 2018
8,170,000	\$0.10	October 27, 2021
9,341,387	\$0.10	December 15, 2021
3,100,000	\$0.10	January 13, 2022
4,547,490	\$0.10	April 13, 2019
35,793,149		

As at April 30, 2017, the weighted average exercise price of the warrants outstanding was \$0.11 (July 31, 2016 - \$0.14) with a weighted average remaining contractual life of 3.2 years (July 31, 2016 – 1.40 years).

The following is a summary of the finders and broker warrants outstanding as at April 30, 2017 and July 31, 2016:

	April 30, 2017		July 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding - beginning of year	145,700	\$ 0.13	91,700	\$ 0.18
Issued	-	-	54,000	0.05
Expired	-	-	-	-
Exercised	-	-	-	-
Outstanding – as at April 30, 2017	145,700	\$ 0.13	145,700	\$ 0.13

Number of warrants	Exercise price per warrant	Expiry date
91,700	\$0.18	July 6, 2017
54,000	\$0.05	May 19, 2018
145,700		

As at April 30, 2017, the weighted average exercise price of the warrants outstanding was \$0.13 (July 31, 2016 - \$0.13) with a weighted average remaining contractual life of 0.5 years (July 31, 2016 – 1.30 years).

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12 Share based compensation

The Company adopted a stock option plan (the “Stock Option Plan”) under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The stock option plan is subject to regulatory approval.

- On August 2, 2016, the Company issued 2,600,000 stock options to its directors, officers and consultants at an exercise price of \$0.10 per share for expiry date August 2, 2021. The fair value of \$229,306 for these stock option was determined using Black-Scholes option pricing model using the following assumptions: expected life of 5 year, volatility of 209%, annual rate of dividends of 0.00% and risk free rate of 0.6327%.
- On August 2, 2016, the Company amended the exercise price of 1,125,000 options to \$0.10 per share from an average of \$0.17 per share. The fair value of \$697 for the repriced options was determined using Black-Scholes option pricing model using the following assumptions: average expected life of 7.5 year, volatility of 209%, annual rate of dividends of 0.00% and risk free rate of 0.7102%.
- On August 2, 2016, 230,000 existing stock options cancelled as the optionees ceased to be officers or contractors of the Company.
- On September 22, 2016, 1,000,000 existing options cancelled as the optionees ceased to be director and officers of the Company.
- On January 17, 2017, the Company issued 4,300,000 stock options to its directors, officers and consultants at an exercise price of \$0.07 per share for expiry date January 17, 2022. The fair value of \$227,182 for these stock option was determined using Black-Scholes option pricing model using the following assumptions: expected life of 5 year, volatility of 188%, annual rate of dividends of 0.00% and risk free rate of 0.6272%.

The following is a summary of the stock options outstanding as at April 30, 2017 and July 31, 2016:

	April 30, 2017		July 31, 2016	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding - beginning of year	1,355,000	\$ 0.10	1,875,000	\$ 0.17
Granted	6,900,000	0.08	1,500,000	0.06
Exercised	-	-	(1,500,000)	0.06
Cancelled or expired	(1,230,000)	0.11	(520,000)	0.15
Outstanding - end of period	7,025,000	\$ 0.08	1,355,000	\$ 0.17

Number of stock option outstanding and vested	Exercise price per stock option	Expiry date
400,000	\$0.10	December 5, 2022
425,000	\$0.10	March 7, 2020
1,900,000	\$0.10	August 2, 2021
4,300,000	\$0.07	January 17, 2022
7,025,000	\$0.08	

As at April 30, 2017, the weighted average exercise price of the stock options outstanding was \$0.08 (July 31, 2016 - \$0.17) with the weighted average remaining contractual life of 4.5 years (July 31, 2016 – 5.2 years). The average fair value of options issued during the nine months ended April 30, 2017 was \$0.08 (July 31, 2016 - \$0.25).

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13 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The remuneration of the Company's directors and other key management personnel during the nine months ended April 30, 2017 and April 30, 2016 are as follows:

	April 30, 2017	April 30, 2016
Consulting fees	\$ 58,719	\$ 156,379
Professional fees	27,500	-
Share-based payments	233,402	-

These expenses were measured at the exchange amounts agreed upon by the parties. As at April 30, 2017 the Company had amounts payable of \$7,100 (July 31, 2016 - \$13,797) to these parties. These amounts are unsecured and non-interest bearing.

As at April 30, 2017, the Company had amounts of loan payable of \$Nil (July 31, 2016 - \$10,000) to a director (note 8).

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14 Segment disclosures

The Company operates in two geographical and two operating segments. The operating segments are managed separately based on the nature of operations. Exploration and development is primarily the recently acquired Cerro Dorado project in Peru. Other selected financial information by geographical segment is as follows

The Company operates in two operating segments in two countries, with corporate in Canada and exploration in Peru. The Company's assets by country are:

	As at April 30, 2017			As at July 31, 2016		
	Canada	Peru	Total	Canada	Peru	Total
Assets						
Cash	3,834	1,058	4,892	2,996	-	2,996
Other receivables	49,457	113,937	163,394	17,840	-	17,840
Inventory	-	6,842	6,842	-	-	-
Prepaid expenses	222,274	142,120	364,394	138,014	-	138,014
Property, plant and equipment	-	502,175	502,175	-	-	-
Mineral properties	-	1,226,660	1,226,660	-	-	-
Liabilities						
Accounts payable and accrued liabilities	(302,074)	(260,655)	(562,729)	(160,940)	-	(160,940)
Director loan	-	-	-	(10,000)	-	(10,000)
Convertible debenture	(129,070)	-	(129,070)	(128,532)	-	(128,532)
Loan payable – advance	(28,435)	-	(28,435)	(27,025)	-	(27,025)
Loan payable	-	(552,296)	(552,296)	-	-	-

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2017	2016	2017	2016
Canada	\$ (465,135)	\$ (55,735)	\$ (2,116,172)	\$ (1,320,674)
Peru	(99,614)	(585)	(112,914)	(84,264)
Net Loss	\$ (564,749)	\$ (56,320)	\$ (2,229,086)	\$ (1,404,938)

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15 Capital management

The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of items included in shareholders' equity, net of cash as follows:

	April 30, 2017	July 31, 2016
Total equity	\$ 995,827	\$ (167,647)
Less: cash	(4,892)	(2,996)
	\$ 990,935	\$ (170,643)

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

16 Supplemental cash flow information

	Note	For Three Months Ended April 30,		For Nine Months Ended April 30,	
		2017	2016	2017	2016
Supplemental cash flow information- non-cash financing and investing activities					
Equity portion – convertible debentures		\$ -	\$ (10,844)	\$ -	\$ 6,454
Shares issued on acquisition	6	550,000	-	550,000	-
Fair value of shares and warrants issued to settle liabilities	11(a)	66,779	212,042	66,779	212,042
Gain recorded in equity from shares for debt		-	50,845	-	50,845
Fair value of shares from convertible debenture early conversion		-	170,689	-	170,689
Fair value of warrants from convertible debenture early conversion		-	52,045	-	52,045