

Form 51-102F3
Material Change Report

1. Name and Address of Company

Mountain Capital Inc.
#100 – 1255 West Pender Street
Vancouver, B.C. V6E 2V1

2. Date of Material Change

July 11, 2007.

3. News Release

News release was issued on July 11, 2007 and disseminated via Stock Watch and Bay Street News pursuant to section 7.1 of National Instrument 51-102.

4. Summary of Material Change

Mountain Capital Inc. (the "Company") is pleased to announce that it has entered into an arm's length binding agreement dated July 3, 2007 (the "Assignment Agreement") with Alfred Lenarciak and Alfred Lenarciak & Co., a company incorporated in the Commonwealth of the Bahamas, (collectively the "Assignor") pursuant to which the Company has been assigned (the "Assignment") all of the Assignor's rights under an agreement dated June 3, 2007 (the "Acquisition Agreement") between the Assignor and Robert J. Tremblay on behalf of himself and Alphonse Beaudoin and Robert Lamothe (collectively the "Owners"). Pursuant to the Assignment Agreement, the Company has been assigned the exclusive right to purchase a 100% interest in the Barraute Property which is comprised of six mining claims totalling 255.73 hectares located in the Barraute Township of the Abitibi region, Province of Quebec. As consideration for the assignment the Company has agreed to pay the Assignee \$9,000 and issue to the Assignee 150,000 Common shares.

Pursuant to the Acquisition Agreement, the Company may acquire a 100% interest in the Barraute Property by making cash payments to the Owners totalling \$60,000, issuing 300,000 common shares to the Owners and performing exploration work on the property totalling \$100,000. The cash payments are due as to \$30,000 on closing of the transaction, \$15,000 on or before June 3, 2008 and \$15,000 on or before June 3, 2009. The share issuances must be made as to 120,000 shares on closing of the transaction, 120,000 shares on or before June 3, 2008 and 60,000 shares on or before June 3, 2009. In respect of exploration expenditures, \$35,000 must be expended on or before June 3, 2008 and \$65,000 must be expended on or before June 3, 2010. The cash payments, share issuances and exploration expenditures become firm commitments after October 1, 2007. The Owners are also entitled to a 2% net smelter return royalty of which 1% may be

purchased at any time for the sum of \$1,000,000 payable in cash or shares at the option of the Owners.

It is expected that the assignment will constitute the Company's qualifying transaction pursuant to the policies of the TSX Venture Exchange (the "Exchange").

5. Full Description of Material Change

NEWS RELEASE

FOR IMMEDIATE RELEASE

July 11, 2007

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The Barraute Property is located 50 km north of Val d'Or and has seen mineral exploration since the 1940's. The property straddles a contact between a syenitic intrusive stock and a felsic to mafic volcanic package of rocks.

The mineralization of interest is mainly connected with a gold bearing quartz vein system lying within a larger pyritic alteration zone. This mineralized area has seen prospecting, trenching and limited diamond drilling, especially over the past 6 years.

The property is set to undergo an exploration program of prospecting, geological mapping, geophysics, trenching and diamond drilling to further define the mineralization previously exposed and to follow up on new mineralization recently located adjacent to the known zone.

A report on the Barraute Property pursuant to the provisions of National Instrument 43-101 is currently being prepared.

Closing of the transaction is subject to a number of conditions including, but not limited to, the following:

- The Assignor must arrange for a private placement (the "Private Placement") of 5,652,000 units of the Company at a price of \$0.115 per unit to raise gross proceeds of approximately \$650,000. Each unit will consist of one common share of the Company and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.225 per share for a period of two years from the date the private placement closes. Finder's fees may be payable in accordance with Exchange policies.
- The Exchange must conditionally accept the Assignment Agreement for filing as the Company's qualifying transaction.
- The closing of the transaction must occur on or before September 3, 2007 or such later date as may be agreed upon between the Company and the Assignor.
- The Owners must consent to the Assignment.

Upon closing of the transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding common shares of the Company (assuming no such shareholder results from the Private Placement).

On closing of the transaction, Jacob Kalpakian and Karim Gangji will resign as directors and officers of the Company and will be replaced by two nominees of the Assignor, namely Thomas Mulja and Joseph Del Campo. All of the directors of the Company have agreed to exercise stock options entitling them to purchase

600,000 Common shares at a price of \$0.10 per share on or before the expiration of 90 days from closing of the transaction.

Mr. Mulja is a registered professional geologist with APEGBC and has over 16 years of experience with the mineral industry that culminated as a director and country manager of a Canadian-controlled overseas joint venture company. More recently Mr. Mulja has been an independent consultant to resource and investment companies with contributions ranging from identifying and evaluating to helping acquire precious and base-metal projects in North America and Asia. He has previously served as a director of public companies listed on the TSX Venture Exchange. Since earning his PhD degree in Economic Geology from McGill University in 1995, Mr. Mulja has maintained research collaborations with university professors on the genesis of ore deposits, which have resulted in publication of peer-reviewed journal articles.

Mr. Del Campo is a Certified Management Accountant (CMA) and is the Chief Financial Officer of First Nickel Inc., an operating mining, exploration and development company which currently operates one nickel mine in Sudbury, Ontario. Mr. Del Campo began his career with Falconbridge Limited and spent over 19 years working within the Falconbridge group of companies at progressive financial positions, including Controller and Treasurer of Falconbridge Dominicana, a ferronickel operation in the Dominican Republic, and Falconbridge Gold Corporation, a gold mining company with operating mines in Africa and Timmins, Ontario. Over the past 14 years Mr. Del Campo has been a director and Vice-President, Finance and CFO of a number of junior exploration companies listed on the TSX and the TSX Venture Exchange.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. The Company intends to apply for an exemption from sponsorship requirements however there is no assurance that the Company will obtain this exemption.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

For further information, please contact Bedo Kalpakian, President and Chief Executive Officer, at (604) 681-1519 ext.6106.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

No information has been omitted.

8. Executive Officer

Mr. Bedo H. Kalpakian, President of the Company, is knowledgeable about the material change contained herein and may be reached at (604) 681-1519 ext 6106.

9. Date of Report

This report is dated the 11th of July, 2007.