STRATA MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2014

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Strata Minerals Inc. (the "Company", "Strata" or "SMP") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended December 31, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended December 31, 2014, as well as the audited annual consolidated financial statements of the Company for the years ended June 30, 2014 and June 30, 2013, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at February 19, 2015 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2014, have been prepared using accounting policies consistent with IFRS.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of SMP's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SMP's website at **www.strataminerals.com** or on SEDAR at **www.sedar.com**.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
For fiscal 2015, the Company's operating expenses are estimated to be $50,000 per month for recurring corporate operating costs	The Company has anticipated all material costs; the operating activities of the Company for the twelve-month period ending December 31, 2015, and the costs associated therewith, will be consistent with SMP's current expectations.	Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on all of its current projects for the twelve-month period ending December 31, 2015.	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2015, and the costs associated therewith, will be consistent with SMP's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to SMP.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
SMP's properties may contain economic deposits of phosphate	Financing will be available for future exploration and development of SMP's properties; the actual results of SMP's exploration and development activities will be favourable; operating, exploration and development costs will not exceed SMP's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to SMP, and applicable political and economic conditions are favourable to SMP; the price of phosphate and applicable interest and exchange rates will be favourable to SMP; no title disputes exist with respect to the Company's properties.	Phosphate price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with SMP's expectations; availability of financing for and actual results of SMP's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company will be able to carry out anticipated business plans, including costs and timing for future exploration on its property interests. For twelve-month period ending December 31, 2015, the Company's exploration commitments are	The exploration activities of the Company for the twelve-month period ending December 31, 2015, and the costs associated therewith, will be consistent with SMP's current expectations; debt and equity markets, exchange and interest rates and	Phosphate price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired

currently estimated to be a minimum of $nil and mineral lease commitments are currently estimated to be approximately US$15,000.	other applicable economic conditions are favourable to SMP; Financing will be available for SMP's exploration and development activities and the results thereof will be favourable; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to SMP; the Company will not be adversely affected by market competition; the price of phosphate will be favourable to SMP; no title disputes exist with respect to SMP's properties.	properties; the possibility that future exploration results will not be consistent with SMP's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits.
Management's outlook regarding future trends	Financing will be available for SMP's exploration and operating activities; the price of phosphate will be favourable to SMP.	Phosphate price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions .
Sensitivity analysis of financial instruments	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the six months ended December 31, 2014 as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond SMP's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause SMP's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

JBZ Capital Inc. ("JBZ") was incorporated under the Canada Business Corporations Act on February 7, 2008 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4 and domiciled in Canada. On April 25, 2011 the TSX-V granted final acceptance to JBZ's qualifying transaction (as defined in TSX-V Policy 2.4) whereby JBZ acquired all of the issued and outstanding shares of Strata Minerals Limited. On November 3, 2011 JBZ formally changed its name to Strata Minerals Inc. and began trading under the ticker symbol SMP on November 8, 2011.

SMP is engaged in exploration and development of commercial scale phosphate rock mineralization deposits in Utah and analyzing new opportunities elsewhere in the world, with the intention of developing a mine and becoming a supplier of phosphate rock, and other bulk commodities, to the global fertilizer and other industries.

SMP's projects currently consist of the Diamond Mountain phosphate project located in the State of Utah.

On November 13, 2013, SMP announced the execution of an Option Agreement with Utah Mineral Resources LLC (the "Optionor" or "UMR") pursuant to which SMP can earn up to a 80% interest in the Diamond Mountain phosphate project located in the State of Utah, approximately 30 kms north-east of Vernal, Utah (the "Diamond Mountain Project"). Under the terms of the Option Agreement, SMP has earned a 51% interest in the Diamond Mountain Project by paying total cash consideration of US$75,000 and unit consideration of C$100,000 to the Optionor and incurring exploration and development expenditures of US$1,000,000 on the Diamond Mountain Project. SMP can earn a further 29% interest to hold an aggregate share of 80% of the Diamond Mountain Project by incurring a further US$1.5 million in exploration and development expenditures on the Diamond Mountain Project on or before a target date of December 15, 2015 and paying a further US$100,000 and issuing C$100,000 in shares priced in the context of the market at the time of vesting.

As of February 19, 2015, SMP has 24,323,996 shares issued and outstanding, which trade on the TSX Venture Exchange under the symbol SMP.

Highlights

During the six months ended December 31, 2014 and up to the date of this MD&A:

- On February 4, 2015 the Company announced the completion of a non-brokered private placement of 1,790,000 common shares at a price of $0.10 per common share for gross proceeds of $179,000. All securities issued on closing of the private placement are subject to a four month plus one day hold period. No finder's fees or commissions were paid in connection with closing of the placement. Strata's directors and officers subscribed for 1,565,000 common shares under the private placement.

- On January 7, 2015 the Company announced the appointment of Mr. Gordon Tainton to the Company's board as an independent director. Mr. Tainton is the Geneva-based Vice President for Bulk Products at Aslchem International Inc. where he focusses on ferrous metals, fertilizers and petrochemical products for key industrial & end user accounts. He has 30 years of natural resource experience, primarily at a senior management level with Inspectorate S.A., Interacid S.A., a 100 % owned subsidiary of Sumitomo Corp., Tokyo, and European Nickel Plc. Mr. Tainton is also a non-executive director of NEOS Resources Plc and is a graduate of Simon Fraser University in Vancouver.

  In connection with Mr. Tainton's appointment, the Company also announced the granting to him of 100,000 stock options in accordance with the Company's stock option plan. The options are exercisable at $0.13 per share, vest in four equal installments over a period of three years, and have a term of five years.

- On November 24, 2014, the Company announced that it has withdrawn from the Cardabia Joint Venture Phosphate Project in Western Australia. The Company's most recent exploration program at the project was completed in June 2013. Estimated annual cost reductions including tenement rates, rents and work commitments are AUD$779,000 (approximately CDN$758,000).

- On November 21, 2014, the Company announced the identification of a high grade phosphate surface deposit at the Company's Diamond Mountain Project. Surface reconnaissance mapping of recently filed Phosphate Prospecting Permit Application ("PPPA") (1,236.6 additional hectares to the South East of, and contiguous with, Strata's existing PPPA areas) identified five separate phosphate mineralization outcrop areas and a surface resource target. Three grab samples were collected from the most prominent outcrop of the PPPA areas and were analysed by the SGS laboratory in Denver, measuring 34.43%, 34.12% and 35.01% P_2O_5. Geological modelling estimates of surface phosphate mineralization (applying a depth cut off of 75 metres) for each of the five identified outcrop areas vary from 0.3 million tonnes to 12.3 million tonnes with a total exploration target identified over the five outcrop areas of approximately 17 million tonnes. The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource.

- On November 7, 2014, Strata announced an agreement with an arm's length contractor to exchange US$100,000 (approximately $CDN112,000) of monies owing for 1,120,000 common shares of Strata. The debt for equity swap was agreed at a price of $0.10 per share.

- On October 15, 2014, Strata announced of the NI43-101 compliant maiden resource estimate for Diamond Mountain. The independent report, dated October 14, 2014 (effective September 11, 2014), entitled "Technical Report, Diamond Mountain Phosphate Project, Uintah County, Utah" was authored by Lawrence D. Henchel, P.Geo., PG, Vice President Geological Services with Norwest Corporation. The initial resource totals approximately 61 million tonnes with an average grade of approximately 19.7% P_2O_5 (33.9 mt measured plus indicated @ 19.7% P_2O_5 and 27.1 mt inferred @ 19.7% P_2O_5). The average thickness of the phosphate resource is 4.4 metres. The resource lies at depths below surface ranging from approximately 90 metres to 350 metres with an average dip from north to south of 8 degrees. The resource is based on the results of a 17 hole, 2,397 metre diamond core drill programme completed in July 2014.

Outlook and Overall Performance

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing the acquisition of its mineral property interests, the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development and future profitable production.

The Company expects to continue to explore its properties in a prudent manner. The Company expensed $499,637 during the six months ended December 31, 2014 on exploration and evaluation activities of its tenements.

At December 31, 2014, the Company had a net working deficit of $514,351 (June 30, 2014 – working capital of $106,753). The Company had cash and cash equivalents of $31,942 (June 30, 2014 - $651,492). Working capital and cash and cash equivalents decreased during the six months ended December 31, 2014 due to expenditures incurred for the Company's exploration and evaluation activities and general and administrative expenses partially offset by proceeds received in the period for the private placement closed subsequent to December 31, 2014.

The Company will be required to raise additional capital in order to meet its ongoing operating expenses, fund the working capital deficiency and complete its planned exploration activities on all of its current projects for the twelve-month period ending December 31, 2015 (see "Subsequent Events" below). Management may increase or decrease such budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Financial Position" below.

On January 13, 2014, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. As part of the share consolidation, the stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The share consolidation has been reflected in this MD&A and all applicable references to the number of shares, warrants and stock options and their strike price and per share information has been restated.

The following is a summary of the outlook and performance of SMP's projects.

Diamond Mountain Project

Under the Diamond Mountain Project Option Agreement, closed on March 20, 2014, Strata has paid cash consideration of US$75,000 and unit consideration of C$100,000 (consisting of 833,333 common shares and 416,667 commons share purchase warrants), and incurred expenditures of US$1,000,000 in exploration and development to earn a 51% interest in the project.

Strata can earn a further 29% interest to hold an aggregate share of 80% of the Diamond Mountain project by incurring a further US$1.5 million in exploration and development expenditures on the project on or before a target date of July 15, 2016 and paying a further US$100,000 of cash consideration and issuing C$100,000 in shares by the current due date of July 10, 2015.

The Diamond Mountain Project is an advanced exploration stage property consisting of approximately 5,444 hectares of Utah State and Federal phosphate exploration rights and applications. Previous phosphate exploration work on the lands was conducted in the 1960-70's by US Steel Corp which outlined phosphate mineralization in two gently dipping seams of phosphoric rock totaling approximately 5 meters in thickness. The mineralized material subcrops to the north and gently dips to the south. The project is adjoining to the west by Simplot Corporation's Vernal phosphate leases that include a mine and beneficiation complex which reportedly produces at a rate of approximately 1 million tons per annum of concentrated phosrock grading an average of 30% P_2O_5.

On July 22, 2014 Strata completed its initial drilling programme at Diamond Mountain, performed by Major Drilling North America. A total of 2,367 metres of diamond core drilling were completed over 17 holes. Assays were performed by SGS North America at its certified laboratory in Denver, Colorado using XRF analysis for phosphorus pentoxide (P_2O_5) and for a full suite of metal oxides and related compounds.

On September 11, 2014 Strata released the maiden NI 43-101 compliant resource for Diamond Mountain, completed by Norwest Corporation of Salt Lake City, Utah and supervised by Lawrence D. Henchel, P. Geo, PG, Vice President Geological Services with Norwest Corporation who acts as Strata's Qualified Person in accordance with NI 43-101.

The initial resource totals approximately 61 million tonnes with an average grade of approximately 19.7% P_2O_5 (33.9 mt measured plus indicated @ 19.7% P_2O_5 and 27.1 mt inferred @ 19.7% P_2O_5). The average thickness of the phosphate resource is 4.4 metres. The resource lies at depths below surface ranging from approximately 90 metres to 350 metres with an average dip from north to south of 8 degrees.

Diamond Mountain Phosphate Resources by Tenement Type

Lease	Resource Classification	Ore Tons (million)	Area (ha)	Ore Thickness (m)	Density (g/cm^3)	P_2O_5 (wt %)	MgO (wt %)	Fe_2O_3 (wt %)	Al_2O_3 (wt %)
State	Measured	9.2	76.4	4.44	2.70	19.76	3.69	1.42	3.21
	Indicated	17.6	148.1	4.41	2.70	19.62	3.66	1.37	3.21
	Measured + Indicated	**26.8**	**224.5**	**4.42**	**2.70**	**19.67**	**3.67**	**1.39**	**3.21**
	Inferred	23.1	194.6	4.39	2.70	19.67	3.49	1.32	3.21
Federal	Measured	2.1	17.0	4.71	2.65	20.10	3.06	1.46	3.26
	Indicated	5.0	40.3	4.61	2.66	20.04	3.32	1.43	3.25
	Measured + Indicated	**7.1**	**57.3**	**4.64**	**2.66**	**20.06**	**3.24**	**1.44**	**3.25**
	Inferred	4.0	33.0	4.50	2.68	19.99	3.58	1.41	3.24
Total	Measured	11.3	93.4	4.49	2.69	19.82	3.58	1.43	3.22
	Indicated	22.6	188.4	4.45	2.69	19.71	3.59	1.39	3.22
	Measured + Indicated	**33.9**	**281.8**	**4.46**	**2.69**	**19.75**	**3.59**	**1.40**	**3.22**
	Inferred	27.1	227.6	4.41	2.70	19.72	3.51	1.34	3.21

Strata filed the initial NI 43-101 technical report on Diamond Mountain on October 15, 2014. Further information on Diamond Mountain is available on the Company's website www.strataminerals.com.

Current and Future Plans related to the Diamond Mountain Phosphate Project

Strata may earn an additional 29% of the Diamond Mountain Project, for an aggregate 80%, by incurring US$1.5 million of exploration expenditures by the current due date of June 15, 2016, and making a cash payment of US$100,000 and issuing C$100,000 worth of common shares of the Company by the current due date of July 10, 2015. Strata plans on incurring these expenditures and making the cash and common share payments by the due date. Exploration expenditures would include environmental assessment and permitting of PPPAs, diamond drilling to expand upon the NI 43-101 compliant resource released on September 11, 2015, and other sampling, mapping and exploration work at the Diamond Mountain Project.

<u>Cardabia Project</u>

The Company acquired its previous interest in the Cardabia project from South Boulder Mines Limited ("SBM") pursuant to a Joint Venture Agreement dated February 6, 2012 (the "JV Agreement"). Under the terms of the JV Agreement, SMP acquired an 80% interest in the Cardabia project in consideration for a cash payment of AUD $200,000 and the issuance of 2.5 million SMP common shares.

In August 2014, Strata relinquished 603 km^2 of its tenements (reducing the total held to 1,629 km^2). In November 2014, Strata relinquished its remaining interest in the Cardabia project.

Trends

The Company is a mineral exploration company, focused on the acquisition, exploration and development of properties for phosphate resources and other fertilizer nutrients. As global population increases, the use of phosphatic fertilisers is one way to increase the production and supply of food and protect the long term fertility of soil. The management of the Company believes that there is a reasonable likelihood forecast demand for phosphate rock will exceed supply in the coming years. As a result, management is of the opinion that wealth can be created for shareholders through the successful exploration and delineation of commercial scale phosphate rock mineralisation.

The Company's future performance and financial success is largely tied to the success of the exploration and development of its current mineral property interests. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral reserves and to date has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

Current global economic conditions and financial markets are volatile and are likely to be so for the foreseeable future, reflecting ongoing concerns about the global economy. This affects the mining industry, and, as it relates to the Company, affects the availability of equity financing for the purposes of mineral exploration and development. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration, development and property acquisitions, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue exploring its properties and to seek out other prospective project opportunities. The Company believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company continues to evaluate properties that it may acquire in the future.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of December 31, 2014, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Selected Quarterly Financial Information

As SMP has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risk Factors" below.

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss Total ($)	Loss Per Share (1) ($)	Total Assets ($)
2014-December 31	-	501,514	(0.02)	242,164
2014-September 30	-	658,348	(0.03)	739,275
2014-June 30	-	1,153,816	(0.05)	1,326,446
2014-March 31	-	263,814	(0.03)	1,920,932
2013-December 31	-	151,541	(0.02)	527,151
2013-September 30	-	196,083	(0.02)	719,163
2013-June 30	-	459,712	(0.06)	904,732
2013-March 31	-	311,062	(0.04)	1,495,504

(1) Loss per share adjusted to reflect the consolidation of the Company's common shares.

Discussion of Operations

Three months ended December 31, 2014 compared with three months ended December 31, 2013

SMP's net loss totaled $501,514 for the three months ended December 31, 2014, with basic and diluted loss per share of $0.02. This compares with a net loss of $151,541 with basic and diluted loss per share of $0.02 for the three months ended December 31, 2013. The increase of $349,973 in net loss was principally because:

- For the three months ended December 31, 2014, exploration and evaluation expenditures increased by $21,248. The increase is mainly attributable to the exploration on the Diamond Mountain Project (see "Outlook and Overall Performance" above).

- For the three months December 31, 2014, the Company recorded a write-off of exploration and evaluation assets of $302,082 due to relinquishing all interest in the Cardabia project versus $nil in the previous period.

- For the three months December 31, 2014, office and general increased by $18,005. The increase is due to an increased foreign exchange loss as a result of the fluctuations of the Canadian dollar against the US dollar.

- For the three months December 31, 2014, salaries and director fees increased by $61,327 to $72,327; however this amount was deferred as at December 31, 2014 in order to conserve cash. The increase is due to payroll costs for the CEO.

- All other expenses are related to general working capital purposes.

<u>Six months ended December 31, 2014 compared with six months ended December 31, 2013</u>

- For the six months ended December 31, 2014, exploration and evaluation expenditures increased by $387,769. The increase is mainly attributable to the exploration on the Diamond Mountain Project (see "Outlook and Overall Performance" above).

- For the six months December 31, 2014, office and general increased by $33,216. The increase is due to an increased foreign exchange loss as a result of the fluctuations of the Canadian dollar against the US dollar.

- For the six months December 31, 2014, the Company recorded a write-off of exploration and evaluation assets of $302,082 due to relinquishing all interest in the Cardabia project versus $nil in the previous period.

- For the six months December 31, 2014, regulatory and listing fees increased by $16,119. The increase is due costs related to designing the Company's new website.

- For the six months December 31, 2014, salaries and director fees increased by $117,694 to $140,527; however $83,327 of this amount was deferred as at December 31, 2014 in order to conserve cash. The increase is due to payroll costs for the CEO.

- All other expenses are related to general working capital purposes.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of tenements that have the potential to contain phosphate, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

Cash used in operating activities was $748,645 for the six months ended December 31, 2014 compared to $340,231 in the six months ended December 31, 2013. Operating activities were affected by the net loss of $1,159,862 offset by non-cash items of $279,080 and the positive change in non-cash working capital balances of $132,137 largely because of an increase in accounts payables and accrued liabilities of $59,648 and a decrease in prepaid expenses and deposits of $74,107. Cash provided by financing activities for the six months ended December 31, 2014 was $50,000 versus $nil for the six months ended December 31, 2013.

At December 31, 2014, SMP had $31,942 in cash and cash equivalents (June 30, 2014 - $651,492).

The Company has no operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

As at December 31, 2014 directors and management of the Company had deferred $100,189 of fees and salaries to assist in the conservation of cash. On November 7, 2014, Strata announced an agreement with an arm's length contractor to exchange US$100,000 ($113,060) of monies owing for 1,120,000 common shares of Strata. The debt for equity swap was agreed at a price of $0.10 per share.

As of December 31, 2014 the Company had 22,533,996 common shares issued and outstanding, 6,666,667 share purchase warrants outstanding that would raise $800,000 if exercised in full, and 1,865,000 options outstanding that would raise $678,250 if exercised in full. The Company does not know when the remaining warrants and options will be exercised. See "Trends" above.

As of December 31, 2014, and to the date of this MD&A, the cash resources of SMP are held with the Royal Bank of Canada and Wespac Bank in Australia.

The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its tenements. For fiscal 2015, the Company's expected operating expenses are estimated to average $50,000 per month for recurring operating costs, after interest income is taken into account, excluding future tax considerations. The Company has no exploration commitments on its property interests over the next 12 months, but has estimated minimum lease payments of US$15,000 over the same period. Management may reassess its planned expenditures based on the Company's working capital resources, the scope work required to advance exploration on its projects and the overall condition of the financial markets.

Assuming that management is successful in developing a substantial phosphate deposit in the USA, future work plans to develop the deposit will depend upon the Company's assessment of prior results, the condition of the Company financially and the then prevailing economic climate in general.

The Company's working capital deficiency of $514,351 at December 31, 2014, is not anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2015. The

Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on all of its current projects (see "Subsequent Events" below).

Recent Accounting Pronouncements

(i) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Critical Accounting Estimates

The preparation of the unaudited condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable that are included in the consolidated statements of financial position;
- the estimated useful lives and residual value of plant and equipment;
- the inputs used in the Black-Scholes valuation model (volatility; interest rate; expected life and forfeiture rate) in accounting for share-based payment transactions and warrants; and
- the valuation of income tax accounts.

Critical accounting judgments

- management applied judgment in determining the functional currency of the Company as Canadian dollars, the functional currency of the Company's subsidiary as Australian dollars and the presentation currency of the Company as Canadian dollars; and

- management assessment of no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed during the period.

Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated deficit, which at December 31, 2014 totaled $(320,085) (June 30, 2014 totaled $693,262).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the six months ended December 31, 2014.

The Company is not subject to any capital requirements imposed by a lending institution.

Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the six months ended December 31, 2014.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash is held with select major Canadian and Australian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. All accounts payable and accrued liabilities are due in the next twelve months. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company currently does not have any short-term or long-term debt that is interest bearing and, as such, the Company's current exposure to interest rate risk is minimal.

(b) Foreign currency risk

The functional currency of Strata's subsidiary is the Australian dollar and the functional currency of Strata is the Canadian dollar. The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's presentation currency. The Company holds cash balances in Canadian dollars, US dollars and Australian dollars which could give rise to exposure to foreign exchange risk. It is not the Company's policy to hedge its foreign currency related to the US dollar or Australian dollar.

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to global fertilizer industry and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of phosphate and fertilizer. There is no assurance that, even if commercial quantities of phosphate rock deposits are produced in the future, a profitable market will exist for them. As of December 31, 2014, the Company was not a phosphate producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in the functional currency in which they are measured. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in US dollars which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the US dollar against the Canadian dollar would affect the reported loss and comprehensive loss by approximately $31,000.

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) SMP entered into the following transactions with related parties:

	Three Months Ended December 31,		Six Months Ended December 31,	
Names	**2014 ($)**	**2013 ($)**	**2014 ($)**	**2013 ($)**
BRL Consulting Inc. (i)	nil	13,667	nil	33,667
Jason Bahnsen (ii)	nil	22,993	nil	54,988
Adam Rochacewich (iii)	25,250	nil	47,400	nil
Total	**25,250**	**36,660**	**47,400**	**88,655**

(i) Brent Lokash, a former director and former officer of the Company, is an officer of BRL Consulting Inc. BRL Consulting Inc. was paid $6,667 per month for the services of Brent Lokash who acted as Chief Financial Officer, Executive Vice-President and Secretary of the Company.

(ii) Jason Bahnsen, a director and officer of the Company was paid for consulting and as President and Chief Executive Officer.

(iii) Adam Rochacewich, an officer of the Company, is paid consulting fees as Chief Financial Officer and Secretary of the Company.

(b) Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	Salaries and benefits		Share based payments		Total	
	Three Months Ended December 31,		Three Months Ended December 31,		Three Months Ended December 31,	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Peter Ellery, Former Director	nil	2,500	nil	987	nil	3,487
Hugh Agro, Chairman	3,000	3,000	1,241	987	4,241	3,987
Brent Lokash, Former Director, EVP & CFO	nil	nil	nil	987	nil	987
Richard Kelertas, Director	3,000	3,000	1,445	1,321	4,445	4,321
Jason Bahnsen, Director, President & CEO	55,000	2,500	10,611	1,499	65,611	3,999
Peter Kozicz, Director and Former President & CEO	2,500	nil	1,241	1,334	3,741	1,334
Kal Malhi, Director	2,500	nil	874	nil	3,374	nil
Adam Rochacewich, CFO & Corporate Secretary	nil	nil	4,029	nil	4,029	nil
Total	**66,000**	**11,000**	**19,441**	**7,115**	**85,441**	**18,115**

	Salaries and benefits		Share based payments		Total	
	Six Months Ended December 31,		Six Months Ended December 31,		Six Months Ended December 31,	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Peter Ellery, Former Director	nil	5,000	nil	2,220	nil	7,220
Steve Swatton, Former Director	nil	833	nil	1,233	nil	2,066
Hugh Agro, Chairman	6,000	6,000	2,649	2,220	8,649	8,220
Brent Lokash, Former Director, EVP & CFO	nil	nil	nil	2,220	nil	2,220
Richard Kelertas, Director	6,000	6,000	3,200	3,259	9,200	9,259
Jason Bahnsen, Director, President & CEO	110,000	2,500	22,841	3,206	132,841	5,706
Peter Kozicz, Director and Former President & CEO	5,000	2,500	2,976	3,404	7,976	5,904
Kal Malhi, Director	5,000	nil	1,748	nil	6,748	nil
Adam Rochacewich, CFO & Corporate Secretary	nil	nil	8,059	nil	8,059	nil
Total	**132,000**	**22,833**	**41,473**	**17,762**	**173,473**	**40,595**

As of the date of this MD&A, the independent directors of the Company are entitled to an annual retainer of $10,000. The Chairman of the Board is entitled to an additional annual retainer of $2,000 and the Chairman of the Audit Committee is entitled to an additional annual retainer of $2,000.

(c) Included in accounts payable and accrued liabilities are the following amounts due to related parties:

Names	December 31, 2014 ($)	June 30, 2014 ($)
Jason Bahnsen, director and officer	32,176	19,975
Hugh Agro, director	12,000	6,000
Richard Kelertas, director	12,000	6,000
Peter Kozicz, director	10,000	5,000
Kal Malhi, director	7,500	2,500
Adam Rochacewich, officer	26,513	11,670
Total	**100,189**	**51,145**

As at December 31, 2014 directors and management of the Company had deferred $100,189 of fees and salaries to assist in the conservation of cash.

(d) Insider shareholdings

As of December 31, 2014, Dundee controls 3,941,667 common shares of the Company or approximately 17% of the total common shares outstanding.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of December 31, 2014, directors and officers (Hugh Agro, Richard Kelertas, Peter Kozicz, Jason Bahnsen, Kal Malhi and Adam Rochacewich) collectively control 5,893,548 common shares of the company or approximately 26% 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.

Share Capital

As of the date of this MD&A, the Company had 24,323,996 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
6,666,667	September 20, 2015	$0.12

The warrants have an expiry date acceleration clause, whereby if Strata's common shares trade on a stock exchange in Canada for 20 consecutive trading days at a weighted average trading price of not less than $0.18, then the Company may in its sole discretion accelerate the expiry of the warrants, such that the warrants shall expire within 30 days of the issuance of a news release by the Company disclosing such accelerated expiry.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
40,000	October 24, 2015	$1.50
150,000	September 26, 2016	$1.50
25,000	December 12, 2016	$1.50
25,000	October 24, 2017	$1.50
25,000	December 4, 2017	$1.50
75,000	April 10, 2018	$1.20
750,000	April 1, 2019	$0.12
775,000	April 15, 2019	$0.13
100,000	January 7, 2020	$0.13
1,965,000		

Subsequent Events

(i) On January 7, 2015 the Company announced the appointment of Mr. Gordon Tainton to the Company's board as an independent director. In connection with Mr. Tainton's appointment, the Company also announced the granting to him of 100,000 stock options in accordance with the Company's stock option plan. The options are exercisable at $0.13 per share, vest in four equal installments over a period of three years, and have a term of five years.

(ii) On February 4, 2015 the Company announced the completion of a non-brokered private placement of 1,790,000 common shares at a price of $0.10 per common share for gross proceeds of $179,000. All securities issued on closing of the private placement are subject to a four month plus one day hold period. No finder's fees or commissions were paid in connection with closing of the placement. Strata's directors and officers subscribed for 1,565,000 common shares under the private placement.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements
The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility
The price of various commodities that the Company is exploring for can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the prices of phosphate and other minerals. While the Company would benefit from an increase in the value of phosphate and other minerals, a decrease in the value of phosphate and other minerals could also adversely affect it.

Title to Mineral Properties
Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration
Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power

outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk
The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada and the United States.

Uninsurable Risks
Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability
The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations, Permits and Aboriginal Title & Access
The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic

and archaeological sites, mine development and protection of endangered and protected species, aboriginal title and access and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution
The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Competition
Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Dependence on Key Personnel
The Company's future success and growth depends in part upon the experience of a number of key management personnel. If, for any reason, any one or more of such key personnel do not continue to be active in the Company's management, the operations and business prospects of the Company could be adversely affected.

Conflicts of Interest
Certain of the proposed directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

Names	Three Months Ended December 31, 2014 ($)	Three Months Ended December 31, 2013 ($)	Six Months Ended December 31, 2014 ($)	Six Months Ended December 31, 2013 ($)
Consulting fees	42,960	50,175	97,204	110,136
Accounting and audit fees	18,391	13,695	33,451	28,598
Legal fees	8,368	6,479	10,534	6,479
Office and general	26,465	8,460	53,573	20,357
Travel and accommodation	5,754	7,120	13,464	10,704
Regulatory and listing fees	14,404	11,728	30,854	14,735
Telephone	1,011	174	1,538	669
Salaries and director fees	72,327	11,000	140,527	22,833
Depreciation	2,385	481	2,706	963
Total	**192,065**	**109,312**	**383,851**	**215,474**

Exploration and Development Costs

	Three Months Ended December 30,		Six Months Ended December 31,	
	2014 ($)	2013 ($)	2014 ($)	2013 ($)
Cardabia Project				
Leases and Taxes	(5,045)	23,938	20,227	32,886
Drilling	nil	(20,584)	nil	(20,584)
Consulting	nil	24,517	nil	53,932
Geological	nil	1,544	nil	6,201
Travel	nil	41	nil	3,657
Administration and other	2,022	5,470	8,870	7,106
Cardabia Project Total	**(3,023)**	**34,926**	**29,097**	**83,198**
Diamond Mountain Project				
Property acquisition	nil	21,361	nil	21,361
Drilling	194	nil	316,593	nil
Consulting	nil	nil	nil	28,670
Geological	46,722	nil	132,079	nil
Leases and Taxes	12,281	nil	21,868	nil
Diamond Mountain Project Total	**59,197**	**21,361**	**470,540**	**50,031**
Total	**56,174**	**56,287**	**499,637**	**133,229**