MONTANA GOLD MINING COMPANY INC.
Management's Discussion and Analysis
Period Ended December 31, 2012
Dated April 29, 2013
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") is provided for the purpose of reviewing the year ended December 31, 2012 and comparing results to the previous year. The MD&A was prepared as of April 29, 2013 and should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the years ending December 31, 2012 and 2011. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards appropriate in the circumstances. All monetary amounts are expressed in United States dollars unless otherwise indicated.

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Additional information related to the Company is available for view on SEDAR at www.sedar.com and at the Company's website located at www.montanagoldmining.com.

DESCRIPTION OF THE BUSINESS

Montana Gold Mining Company Inc. (the "Company") is a mineral exploration company focused on the acquisition and exploration of mineral resources, primarily gold and silver in the States of Montana and Nevada, USA.

The Company is a reporting issuer in the Province of Ontario and its common shares trade on the Canadian National Stock Exchange ("CNSX") under the symbol MGM.

CORPORATE ACTIVITIES

On February 8, 2012, the Company issued 1,400,000 units at $0.05 CAD per unit for $70,273 ($70,000 CAD). Each unit includes a 2-year share purchase warrant exercisable in Canadian currency. Each warrant entitles the holder to purchase one share at a price of $0.10 CAD up to February 8, 2013 and then at a price of $0.20 CAD to February 8, 2014.

On April 24, 2012, the Company issued 2,000,000 units at $0.05 CAD per unit for $101,210 ($100,000 CAD). Each unit includes a 2-year share purchase warrant exercisable in Canadian currency. Each warrant entitles the holder to purchase one share at a price of $0.10 CAD up to April 24, 2013 and then at a price of $0.20 CAD to April 24, 2014.

On June 19, 2012, the Company issued 3,250,000 units with an ascribed value of $0.05 CAD per unit for proceeds of ($159,591 USD) ($162,500 CAD). Each unit consists of one common share and one share purchase warrant exercisable for 2 years. Each warrant entitles the holder to purchase one share at a price of $0.10 CAD up to June 19, 2013 and then at a price of $0.20 CAD up to June 19, 2014.

On February 20, 2013 a non-brokered private placement financing totaling $100,000 CAD was completed though the issuance of units priced at $0.05 CAD per unit. Each unit was comprised of one common share and one warrant to purchase an additional common share at $0.10 during the first year following the closing of the placement and at $0.20 during the second year following the closing of the placement.

The Company holds 16 mineral claims at the Golden Trail Property in Elko County, Nevada, USA. The predecessor to the Company (Gold Reef International Inc.) advanced the Golden Trail from 2004 to 2007 incurring exploration expenditures of $1.3 million on 52 claims. That work included extensive surface exploration including rock-chip sampling, geological mapping, geochemical surveys, gravity and ground magnetic surveys and 4 vertical reverse circulation drill holes. Fourteen angled drill holes recommended in the 43-101 technical reports were never drilled, presumably due to a change in the management of the predecessor company. The targets of these uncompleted drill holes were numerous northwest-striking, high-angle gold-bearing veins and adjacent replacement zones. The largest identified vein, the Golden Trail Vein, is over 1,200 meters long, and has an associated alteration zone that averages about 30 meters wide. Gold values above 20 ppb are common within the zone and one rock chip sample of decalcified limestone contained over 28,000 ppb gold.

Current management of the Company plans to resume exploration on the Golden Trail Property.

On the Silver Bell-St. Lawrence Gold Project in Montana, the Company made a final US $85,000 cash payment to the vendor in February, 2012, thus securing a 100% ownership in the project subject to a 2% NSR. On October 27, 2011, the Company staked 15 additional mining claims adjacent to the northern and eastern boundaries of the SBSL Property. The newly staked claims are called the Roar claims and bring the total size of the SBSL Property to approximately 394 acres. A program of geological mapping, geochemical and geophysical surveying has been recommended and is ongoing. The Company has filed NI 43-101 compliant technical reports on SEDAR for both of the Company's mineral projects. The NI 43-101 report on the Company's Silver Bell - St. Lawrence Gold Project, Montana (the "SBSL Gold Project") is authored by John F. Childs, PhD, Registered Geologist of Bozeman, Montana. The NI 43-101 report on the Company's Golden Trail Project in Elko County, Nevada was authored by Richard C. Capps, PhD, RPG, SME Registered Geologist. These reports are also available on the Company website.

On April 25, 2012 the Company incorporated a wholly owned subsidiary called Celerity Mineral Corporation ("Celerity"). On August 28, 2012, Celerity incorporated a wholly owned subsidiary called Celerity Subsidiary Corporation. Also, on August 28, 2012, the Company incorporated a wholly owned subsidiary called Montana Gold Subsidiary Corporation.

On May 29, 2012, the Company signed an option and joint venture agreement (the "Option Agreement") with Celerity whereby Celerity could earn a 50% working interest in the Company's Montana and Nevada gold projects by meeting certain conditions. The Company also proposed to distribute the common shares of Celerity to the Company's shareholders proportional to their interest in the Company. Both the Option Agreement and the proposed distribution were approved at the June 28, 2012 Annual and Special Meeting of Company Shareholders, with ninety-nine percent (99%) of the votes cast, or 51% of the total issued common shares, being in favor.

The Option Agreement required Celerity to pay to the Company the amount of $668,112 to be satisfied though the issuance of 13,362,240 common Celerity shares at $0.05 each, and to spend $1,000,000 in exploration on the Silver Bell-St. Lawrence gold project in Montana and the Golden Trail gold project in Nevada (the "Projects") by May, 2017, for a total of $1,668,112, to earn a 50% interest in the Projects. The Company presently holds a 100% working interest in the Projects and has spent the same amount of $1,668,112 on the Projects to the year ended December 31, 2012.

The Company proposed to distribute the 13,362,240 Celerity shares to the Company shareholders on a proportional basis. This distribution would either be by a dividend-in-kind or a distribution by way of return of paid up or stated capital equal to the fair market value of the assets so distributed as determined by the directors of the Company. It was anticipated that Celerity would conduct a rights offering or private placement financing, file a Prospectus to qualify the financing and the distribution of Celerity shares in appropriate Canadian jurisdictions, and seek a listing on a recognized stock exchange.

The Company has discontinued plans to complete the Option Agreement and subsequent distribution of the common shares of Celerity to MGM shareholders. Given current market conditions and the status of the properties, management and directors have determined the best course at this time is for MGM to retain a 100% interest in both properties.

The Annual and Special Meeting of Shareholders was held on June 28, 2012, in London, Ontario. The slate of directors as proposed by the Company was elected at this meeting who were: Kent Britton, Edward Ellwood, Luard Manning, Eric Plexman, Paul Teodorovici, Clifford Wiebe and John Wozny. Kent Britton and Luard Manning resigned from the board shortly after the annual meeting, to sit on the board of Celerity, but were re-appointed to the board of the Company on January 24, 2013.

OVERALL PERFORMANCE

In summary the Company's financial condition has decreased over the past twelve months ended December 31, 2012. Working capital (current assets less prepaid expenses less current liabilities) decreased by $311,820 from ($312,608) at December 31, 2011 to ($624,428) at December 31, 2012. The net decrease is attributable to:

a. lack of revenue;
b. accrual of management salaries and director fees;
c. expending $146,912 from January-December, 2012 on mineral claims and exploration;
d. ongoing administrative and office expenses.

SELECTED ANNUAL INFORMATION

The following table provides selected financial information and should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements.

	Year Ended Dec 31, 2012	Year Ended Dec 31, 2011	Year Ended Dec 31, 2010	Year Ended Dec 31, 2009	Year Ended Dec 31, 2008
	$	$	$	$	$
Revenue	Nil	Nil	Nil	Nil	Nil
Income (loss) for the year (1)	(392,265)	(1,609,486)	(330,698)	(198,423)	(449,430)
Net income (loss) per share (2)	(0.010)	(0.081)	(0.090)	(0.033)	(0.070)
Total assets	511,156	449,361	395,867	262,391	1,881,483
Long-term debt	Nil	Nil	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil	Nil	Nil

Notes: (1) before write down of mineral claims and deferred exploration costs
(2) basic and diluted

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above.

RESULTS OF OPERATIONS

For the year ended December 31, 2012 and December 31, 2011, the Company had no revenue. Exploration expenses for the year were $146,912 compared to $141,814 during the previous year.

Expenses incurred during the year consist mainly of:
i.Office and administrative costs of $439,816 (2011-$383,303);
ii.Professional Fees of $61,779 (2011-$173,677);
iii.Stock based compensation of $78,578 (2011-$303,330);
iv.Loss on foreign exchange of $6,283 (2011-Gain of $3,375);
v.Gain on revaluation of foreign currency warrants of $194,191 (2011-$4,274)

Total assets as at the end of December 31, 2012 were $511,156 (2011 - $449,361) and consisted of cash $16,273 (2011 - $76,059), prepaid expenses of $1,206 (2011 - $6,232), mining claims and deferred exploration expenditures $450,804 (2011-$303,892) which represent staking expenditures to secure the Company’s mineral exploration project and exploration expenditures, and reclamation bonds $40,271 (2011-$63,178).

Total current liabilities as at December 31, 2012 were $643,303 (2011 - $388,667) consisting primarily of trade payables and amounts due to managers and directors.

The Company has no long term financial liabilities except for management’s estimated site restoration costs relating to their exploration program of $22,000 (2011 - $22,000) and warrants denominated in a foreign currency of $18,500 (2011 - $90,464).

The Company has no sales and has never earned revenues with the exception of non-material interest revenue. Raising capital through sales of its common shares funds the Company’s exploration operations.

SUMMARY OF QUARTERLY RESULTS

Three months Ended December 31, 2012 Compared to Three months Ended December 31, 2011

Operating Revenues: The Company is a mineral exploration company and has no operating revenues.

Expenses: Expenses for the three months ended December 31, 2012 were $112,574, an increase of $555 over the amount of $112,019 for the three months ended December 31, 2011. These amounts are for professional fees, management fees, director fees and office and administrative.

Write-off of mineral claims and deferred exploration costs: During the three months ended December 31, 2012 the Company did not write off mineral claims and deferred exploration costs. In the three months ended December 31, 2011 the Company did not write off mineral claims and deferred exploration costs.

Reclamation costs: During the three months ended December 31, 2012 the Company did not pay reclamation costs. During the three months ended December 31, 2011 the Company received $(20,501) as a recovery of reclamation costs paid and paid $693 in reclamation costs.

Net earnings (loss): The Company incurred a net loss of ($77,657) for the three months ended December 31, 2012, a decrease of $791,017 in losses over the three months ended December 31, 2011 ($868,673). Since the Company had no revenue, the net losses are attributable to the expenses and recoveries noted above.

Year ended December 31, 2012 Compared to Year ended December 31, 2011

Operating Revenues: The Company is a mineral exploration company and has no operating revenues.

Loss (Gain) on Debt Settlement: For the year ended December 31, 2012 the Company realized $Nil Loss (Gain) on Debt Settlement. For the year ended December 31, 2011, the Company realized a net loss on debt settlement in the amount of $752,463. The debt was settled through the issuance of 13,870,380 shares at $0.05 or $0.10 per share. The issuance of some of these shares did not occur until the bid price of the Company's shares was $0.20, and as a result of the difference between the ascribed value of $0.05 CDN or $0.10 and the bid price of the shares on the date of issuance, the amount of $752,463 US has been recorded as a loss on debt settlement in the consolidated statement of loss and comprehensive loss. The issuance at $0.10 resulted in a $61,233 gain which has been netted against the loss. On the date of the issuance at $0.05, the Company had a price protection agreement with the CNSX that enabled the issuance of the Company's shares at $0.05 CDN.

Expenses: Expenses for the year ended December 31, 2012 were $580,173 a decrease of $284,499 over the amount of $864,672 for the year ended December 31, 2011. These amounts are for professional fees, management fees, director fees and office and administrative.

Write-off of mineral claims and deferred exploration costs: During the year ended December 31, 2012 the Company did not write off mineral claims and deferred exploration costs. During the year ended December 31, 2011 the Company did not write off mineral claims and deferred exploration costs.

Reclamation costs: During the year ended December 31, 2012 the Company did not pay reclamation costs. During the year ended December 31, 2011 the Company paid reclamation costs of $24,863 relating to the Golden Trail claims and received $(20,501) in reclamation bond releases on the Rimrock property resulting in a net expenditure of $4,362.

Net earnings (loss): The Company incurred a net loss of ($392,265) for the year ended December 31, 2012, a decrease of $1,217,221 over the year ended December 31, 2011 ($1,609,486). Since the Company had no revenue, the net losses are attributable to the expenses noted above.

Summary of Quarterly Results to December 31, 2012

Description	Dec 31/12	Sep 30/12	June 30/12	Mar 31/12	Dec 31/11	Sep 30/11	June 30/11	Mar 31/11
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	(77,657)	(74,376)	(173,856)	(66,376)	(868,674)	(141,495)	(116,141)	(483,176)
Net Income/Loss Per share – Basic & Diluted	(0.0024)	(0.0023)	(0.006)	(0.003)	(0.0363)	(0.0069)	(0.0058)	(0.0312)

LIQUIDITY

As at December 31, 2012, the Company had cash in the amount of $16,273 (2011-$76,059) and current liabilities of $643,303 (2011-$388,667). As at December 31, 2012, the Company has a working capital deficiency of $623,222 (2011 - $306,376). As a result, the Company has liquidity risk and is dependent on raising capital.

CAPITAL RESOURCES

For its long term business objectives, the Company will require funds for ongoing exploration work on its SBSL Property in Montana and its Golden Trail Property in Nevada, to work on any other mineral projects that it acquires, as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over either the near or long term or none are presently contemplated other than as disclosed above and/or over normal operating requirements.

The Company is not in default of its obligations on any of its mineral properties at this time.

OFF BALANCE SHEET ARRANGEMENTS

At April 29, 2013, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, close family members and enterprises which 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 exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management of the Company was as follows:

	2012	2011
Share based payment (i)	**$ 71,023**	$ 276,953
Management and director fees (ii)	**370,863**	337,401
	$ 441,886	$ 614,354

(i) Fair market value of stock options issued to officers and directors.
(ii) Included in office and administrative costs in the consolidated statements of loss and comprehensive loss.

Other related party balances are listed below:

(a) Included in accounts payable and accrued liabilities is approximately $439,505 (December 31, 2011 - $187,872) of amounts owing to directors of the Company for management and director fees.

(b) Included in loss on debt settlement is $Nil (2011 - $84,169) relating to 2,028,196 shares issued to former and current members of management to settlement management and directors fees payable and the SBSL assignment payable.

PROPOSED TRANSACTIONS

There are no transactions proposed at this time other than as disclosed herein.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Accounting Policies

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC")

The significant accounting policies of the Company are summarized in Note 2 to the Company's financial statements. Also included in Note 3 to the Company financial statements is a discussion of future accounting pronouncements and amendments issues but not yet adopted. The Company does not expect the adoption of such standards and amendments to have any material impact on its financial statements.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The accompanying consolidated financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation.

Information regarding significant areas of estimation, uncertainty and critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to measurement of the recoverable amounts of mining claims and deferred exploration expenditures, measurement of share-based payments, the amount accrued for restoration liabilities, the valuation of stock options and warrants issuedand provisions for legal claims.

Financial Instruments

As at December 31, 2012, the Company's financial instruments are comprised of cash, reclamation bonds, accounts payable and accrued liabilities and restoration liabilities. The carrying values of the Company's financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's: (a) capitalized or expensed exploration and development costs; (b) expensed research and development costs; (c) deferred development costs; (d) general and administrative expenses; and (e) any material costs, deferred or expenses, not already referred to in (a) through (d), is provided in the Company's Condensed Interim Consolidated Statement of Comprehensive Income (Loss) contained in its Condensed Interim Consolidated Financial Statements for the year ended December 31, 2012, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

DISCLOSURE OF OUSTANDING SHARE DATA

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

Issued and outstanding: December 31, 2012 – 30,631,007;
Issued and outstanding: April 29, 2013 (date of this report) – 32,631,007

Warrants outstanding: December 31, 2012 – 9,450,000
Warrants outstanding: April 29, 2013 – 11,450,000

Options outstanding: December 31, 2012 – 2,600,000
Options outstanding: April 29, 2013 – 2,600,000

Dividend Policy

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Controls and Procedures

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures, for the nature and size of the entity, are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that these controls and procedures are effective, for the nature and size of the entity, in providing reasonable assurance that material information relating to the Company is made known to them by others within the Company.

Litigation

The Company became a party to a legal proceeding in February 2010. On February 15^{th}, 2010, the company was served with a claim in The District Court 150^{th} Judicial District Bexar County, Texas. Target Strike Inc., the plaintiff alleged several past employees of the company used information that belonged to Target Strike for Gold Reef's benefit in direct contradiction of the agreement between the parties involved. The Plaintiffs initially claimed $1,000,000,000 in monetary damages against all of the named Defendants, including the Company, and subsequently made a settlement offer of $30,000,000.

In February 2012, the Court dismissed all of the claims against all of the named Defendants, including the Company. In early March 2012, the Plaintiff filed an appeal. On April 17, 2013, the United States Court of Appeals for the Fifth Circuit issued its opinion affirming the judgment in the court below in favor of all defendants. While it is possible the appellants could take further action, the Company has not been informed of such action.

Risks Associated with Exploration and Mining Operations

The exploration of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Corporation's mineral properties. Even if such commercial quantities are subsequently discovered by the Corporation's exploration efforts, there can be no assurance such properties can be brought in to commercial production. Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Corporation. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Corporation does not have control may be encountered and may adversely affect the Corporation's operations and financial results.

Environmental Risks

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Corporation's operations.

Mineral Market

The market for minerals is subject to factors beyond the Corporation's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

Funding Requirements

In order to move forward with its exploration activities, the Corporation may require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

Reliance on Management

The Corporation anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Corporation could materially adversely affect the Corporation.

Auditors, Transfer Agent and Registrar

The auditors of the Corporation are Collins Barrow LLP, Chartered Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Corporation is Equity Financial Trust Company of Toronto, Ontario.

Forward Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s internal projections, expectations, future growth, performance and business prospects and opportunities and are based on information currently available to the Company. Since they relate to the Company’s current views with respect to future events, they are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.