MONTANA GOLD MINING COMPANY INC.
Management's Discussion and Analysis
Period Ended June 30, 2014
Dated August 29, 2014
(Form 51-102F1)

This Management Discussion and Analysis ("MD&A") is provided for the purpose of reviewing the second quarter ended June 30, 2014 and comparing results to the previous period. The MD&A was prepared as of August 29, 2014 and should be read in conjunction with the Company's condensed interim consolidated financial statements and corresponding notes for the periods ending June 30, 2014 and 2013. 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.

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 Securities Exchange ("CSE") under the symbol MGM.

CORPORATE ACTIVITIES On June 4, 2014, the Company announced the appointment of John F. O'Donnell, BA (Economics), LLB as Chairman of the Company's Board of Directors. Mr. O'Donnell is counsel to the Toronto law firm of Stikeman Keeley Spiegel Pasternack LLP and is primarily involved in the field of corporate and securities law. Mr. O'Donnell has an extensive background serving as counsel to, or as a director, officer, or chairman of several publicly listed technology and resource companies. Currently, Mr. O'Donnell serves as a director of POET Technologies Inc. (TSXV-PTK and OTCQX-POETF) where he is also Chairman of the Corporate Governance and Nominating Committee.

Also on June 4, 2014, the Company reported that it had closed on a $115,025 tranche of private placement financing consisting of units priced at $0.05 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable for three years at $0.10. The Company also announced at that time that $150,000 owing in management fees had been converted to common shares at the market price of $0.065 per share, that $12,250 in directors fees was written off at the request of the directors, and that 1,150,000 incentive stock options had been granted to independent directors and to consultants of the Company exercisable over 5 years at an exercise price of $0.065.

On June 27, 2014 the Company announced that it had closed on a further tranche of non-brokered private placement financing totaling $65,513 and consisting of units priced at $0.05 per unit. Each unit consists of one common share and one common share purchase warrant exercisable for three years at $0.10.

On July 3, 2014, the Company reported that 500,000 incentive stock options had been granted to directors of the Company exercisable over 5 years at an exercise price of $0.08.

On July 29, 2014 the Company reported that it completed an encouraging pilot survey using hyperspectral imaging technology on 44 five-foot rock-chip line samples taken late last year at the Golden Trail Project, Elko County, Nevada ("Golden Trail"). This pilot survey discovered a distinctive alteration mineral assemblage associated with higher gold values and therefore useful as an exploration pathfinder at Golden Trail.

The Company is now planning to conduct an airborne hyperspectral survey over the Golden Trail and other areas of interest. In addition, the Company plans to apply hyperspectral technology in the logging of all drill core as drilling of the property proceeds. An application for a drilling permit at Golden Trail is well advanced and an announcement will be made upon receipt.

The Company's ultimate objective at Golden Trail is to prove the existence of a mineable gold deposit. Techniques such as the hyperspectral imaging and drilling assist the Company in progressing toward this ultimate goal.

OVERALL PERFORMANCE

In summary the Company's financial condition has improved over the past six months ended June 30, 2014. Working capital deficiency (current assets less prepaid expenses less current liabilities) decreased by $177,996 from ($515,505) at December 31, 2013 to ($337,509) at June 30, 2014. The net decrease is mainly attributable to:

a. ongoing office and administrative costs;
b. the conversion or write-off of certain management and director fees;
c. the completion of tranches of private placement financing despite facing a challenging environment for junior exploration company financing.

The working capital deficiency is largely due to accrued management and director fees that have not been paid in favor of using the majority of monies raised for other needs of the Company. At June 30, 2014 the total current liabilities was $422,254, comprised of $26,174 in trade payables, $29,229 owing for accounting, and $367,051 owing to management and directors. The management and directors have previously written off a total of Cdn$203,888 in fees owing to them and have previously converted a further total of Cdn$408,486 owing to them into common shares of the Company. It is anticipated that the management and directors will continue to write-off or convert the majority of monies owed to them until such time as the Company can reasonably afford its exploration activities as well as appropriate cash compensation for the services provided by management and directors.

SUBSEQUENT EVENTS

Refer to the Corporate Activities section above.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2014 (COMPARED WITH THREE MONTHS ENDED JUNE 30, 2013)

For the three months ended June 30, 2014 and June 30, 2013, the Company had no revenue. Exploration and claim maintenance expenses for the three months ended June 30, 2014 were $9,693 compared to (negative $16,335) during the three months ended June 30, 2013.

Expenses incurred during the three months ended June 30, 2014 consisted mainly of:
i.Office and administrative costs of $104,815 (2013-$128,942);
ii.Professional Fees of $9,462 (2013-$17,132);
iii.Stock based compensation of $63,081 (2013-$0);
iv.Loss on foreign exchange of $14,158 (2013-gain of $31,533);
v.Loss on revaluation of foreign currency warrants of $491,938 (2013-Gain of $54,372).

The majority of line items were similar in the three months ended June 30, 2014 and June 30, 2013. One exception was stock based compensation of $63,081 in 2014 versus $0 in 2013. This is due to the grant of incentive stock options during the quarter. Another exception is the gain from revaluation of foreign currency warrants which is a book entry resulting from fluctuations in currency and stock price, and can swing considerably from quarter to quarter. There is no effect on the company's cash position from the fluctuations in value of the foreign currency warrants.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2014 (COMPARED WITH SIX MONTHS ENDED JUNE 30, 2013)

For the six months ended June 30, 2014 and June 30, 2013, the Company had no revenue. Exploration and claim maintenance expenses for the six months ended June 30, 2014 were $13,601 compared to $1,059 during the six months ended June 30, 2013.

Expenses incurred during the six months ended June 30, 2013 consisted mainly of:
vi.Office and administrative costs of $207,476 (2013-$242,453);
vii.Professional Fees of $23,330 (2013-$39,984);
viii.Stock based compensation of $67,437 (2013-$0);
ix.Gain on foreign exchange of $5,207 (2013-$32,932);
x.Loss on revaluation of foreign currency warrants of $618,606 (2013-Gain of $51,541).

The majority of line items were similar in the six months ended June 30, 2014 and June 30, 2013. One exception was stock based compensation of $67,437 in 2014 versus $0 in 2013. This is due to the grant of incentive stock options during the six months ended June 30, 2014. Another exception is the gain from revaluation of foreign currency warrants which is a book entry resulting from fluctuations in currency and stock price, and which, can swing considerably from quarter to quarter. There is no effect on the company's cash position from the fluctuations in value of the foreign currency warrants.

Total assets as at the end of June 30, 2014 were $630,574 (Dec, 31, 2013 - $554,379) and consisted of cash $83,793 (Dec, 31, 2013 - $17,744), HST receivable of $1,152 (Dec, 31, 2013 - $4,607) prepaid expenses of $1,258 (Dec, 31, 2013 - $1,258), mining claims and deferred exploration expenditures $504,100 (2013-$490,499) which represent staking expenditures to secure the Company's mineral exploration project and exploration expenditures, and reclamation bonds $40,271 (Dec, 31, 2013-$40,271).

Total current liabilities as at June 30, 2014 were $422,454 (Dec, 31, 2013 - $537,856) consisting primarily of trade payables of $26,174 (2013 - $55,487), amounts due to directors and officers of $367,051 (Dec, 31, 2013 - $442,959), and audit and accountant fees owed of $29,229 (Dec, 31, 2013 - $39,410).

The Company has no long term financial liabilities except for management's estimated site restoration costs relating to their exploration program of $22,000 (Dec, 31, 2013 - $22,000) and warrants denominated in a foreign currency of $931,690 (Dec, 31, 2013 - $185,472).

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.

Six months Ended June 30, 2014 Compared to Six months Ended December 31, 2013

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

Expenses: Expenses for the six months ended June 30, 2014 were $298,243, an increase of $15,806 over the amount of $282,437 for the six months ended June 30, 2013. These amounts are for professional fees, management fees, director fees and office and administrative. They also include gains or losses on foreign exchange and revaluation of foreign currency warrants.

Net earnings (loss): The Company incurred a net loss of ($876,195) for the six months ended June 30, 2013, an increase of $968.994 in losses over the six months ended June 30, 2013 (net earnings of $92,799). Since the Company had no revenue, the net losses are attributable to the expenses and recoveries noted above.

<u>SUMMARY OF QUARTERLY RESULTS</u>

Description	June 30/14	Mar 31/14	Dec 31/13	Sep 30/13	June 30/13	Mar 31/13	Dec 31/12	Sep 30/12
	$	$	$	$	$	$	$	$
Sales/Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net Income/Loss	(876,195)	(228,188)	(24,200)	(169,045)	230,594	(137,795)	(77,657)	(74,376)
Net Income/Loss Per share – Basic & Diluted	(0.022)	(.006)	(.0006)	(.005)	.007	(.004)	(0.0024)	(0.0023)

LIQUIDITY

As at June 30, 2014, the Company had cash in the amount of $83,793 (2013-$17,744) and current liabilities of $422,454 (2013-$537,856). As at June 30, 2014, the Company has a working capital deficiency of $337,509 (2013 - $515,505). 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 and 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 August 29, 2014, 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).

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 IFRS Committee.

The significant accounting policies of the Company are summarized in Note 2 to the Company's financial statements. Also included in Note 2 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, the amount accrued for restoration liabilities, the valuation of stock options and warrants issued, the valuation of warrants extended and provisions for legal claims.

Financial Instruments

As at August 29, 2014, the Company's financial instruments comprise 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 this MD&A is provided in the Company's Condensed Interim Consolidated Financial Statements and its Audited Consolidated Financial Statements for the year ended December 31, 2013, which can be accessed on SEDAR under the Company's profile page at www.sedar.com.

DISCLOSURE OF OUTSTANDING SHARE DATA

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

Issued and outstanding: June 30, 2014 – 45,476,385
Issued and outstanding: August 29, 2014 (date of this report) – 45,476,385

Warrants outstanding: June 30, 2014 – 21,710,765
Warrants outstanding: August 29, 2014 – 21,710,765

Options outstanding: June 30, 2014 – 3,900,000
Options outstanding: August 29, 2014 – 4,400,000

Dividend Policy

No dividends have been paid on any shares of the Company 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 is not a party to any litigation.

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 Company's mineral properties. Even if such commercial quantities are subsequently discovered by the Company'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 Company. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Company does not have control may be encountered and may adversely affect the Company'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 current requirements and future changes to environmental legislation may not adversely affect the Company's operations.

Mineral Market

The market for minerals is subject to factors beyond the Company'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 Company will 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 Company 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 Company could materially adversely affect the Company.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Collins Barrow LLP, Licensed Public Accountants of Toronto, Ontario. The Transfer Agent and Registrar for the Common Shares of the Company is TMX Equity Transfer Services in 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. If circumstances or the Company’s management’s estimates or opinions should change, the Company does not intend, and does not assume or undertake 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 except to the extent required by law.