STRATA MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016

Introduction

The following Management Discussion & Analysis ("MD&A") of Strata Minerals Inc. (the "Company", "Strata" or "SMP") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2016. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended June 30, 2016 and June 30, 2015 and the unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2016, 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, 2016 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at February 24, 2017 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2016, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

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 2017, the Company's operating expenses are estimated to be $10,000 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, 2017, 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, 2017.	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2017, 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.

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 three and six months ended December 31, 2016 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

SMP is a mineral exploration and development company. The Company holds a 51% interest in the Diamond Mountain phosphate project located in the State of Utah. Strata is currently assessing exploration and development plans for Diamond Mountain and evaluating other business opportunities.

As of February 24, 2017, SMP has 24,323,996 shares issued and outstanding, which trade on the NEX board of the TSX Venture Exchange ("Exchange") under the symbol SMP. On June 6, 2016, the Company was suspended from trading on the Exchange for failure to maintain the Exchange requirements.

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.

At December 31, 2016, the Company had a net working capital deficit of $203,234 (June 30, 2016 – working capital deficit of $702,465). The Company had cash and cash equivalents of $66,964 (June 30, 2016 - $19,393). Working capital and cash and cash equivalents increased during the six months ended December 31, 2016 due to proceeds from promissory notes and from shares to be issued.

The Company will be required to raise additional capital in order to meet its ongoing operating expenses, fund the working capital deficiency and continue to meet it obligations on its current project for the twelve-month period ending December 31, 2017. 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 December 8, 2016, the Company held its annual and special meeting of shareholders (the "Meeting"). At the Meeting and at a subsequent meeting of directors, the shareholders and directors approved restructuring transactions as well as board and executive appointments:

- The issuance of 49,800,000 pre-consolidation common shares to certain creditors who advanced approximately $249,000 towards the short term operational budget of the Company in exchange for promissory notes. The promissory notes are to be settled through the issuance of common shares of the Company at a deemed pre-consolidation price of $0.005 per share (the "Debt Settlement");
- The consolidation of the Company's common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares (the "Share Consolidation");
- The appointment of Michael Mansfield, Carmelo Marrelli, Donald Birak and Hugh Agro as directors of the Company (see February 9, 2017 press release for director bios);
- The appointment of Mr. Agro as President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company; and
- The appointment of Messrs. Michael Mansfield, Donald Birak who are independent, and Carmelo Marrelli to the Audit Committee of the Company.

Furthermore, on February 9, 2017 the Company announced:

- A non-brokered private placement of common shares of the Company for gross proceeds of up to $215,000 at a price of $0.07 per common share of the Company (the "Proposed Private Placement"). Proceeds of the Proposed Private Placement will be used for general corporate purposes; and
- A grant of 350,000 options to directors and officers under the Company's incentive stock option plan. All options so granted are granted for a term of five years with an exercise price of $0.10.

On completion of the transactions outlined above, the Company will have approximately 10.5 million shares, 350,000 options and no other dilutive instruments outstanding.

The Company is listed on the NEX board of the Exchange. The Debt Settlement, the Proposed Private Placement and the grant of options to directors and officers are subject to Exchange approval. The Company expects trading in the Company's shares to resume following Exchange approval of the transactions described above.

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.

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 metres 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 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.

Trends

The Company is a mineral exploration company, focused on the acquisition, exploration and development of mineral properties.

The Company's future performance and financial success is largely tied to the success of its exploration and development activities. The development of 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. The Company 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", the Company 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 routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded 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, 2016, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Discussion of Operations

<u>Three months ended December 31, 2016 compared with three months ended December 31, 2015</u>

SMP's net income totaled $365,905 for the three months ended December 31, 2016, with basic and diluted income per share of $0.02. This compares with a net loss of $59,003 with basic and diluted loss per share of $0.00 for the three months ended December 31, 2015. The decrease of $424,908 in net loss to net income was principally because:

- For the three months ended December 31, 2016, consulting fees increased by $5,000 from $nil. The increase is due to fees charged by the former CEO in the current period.

- For the three months ended December 31, 2016, share based payment decreased by $7,131 to $nil. The decrease is due to no stock options being issued or vesting in the current period.

- For the three months ended December 31, 2016, the Company recorded a gain on settlement of accounts payable and accrued liabilities of $370,361 due to the settlement of accounts payable for less than the carrying value.

- For the three months ended December 31, 2016, office and general expenses decreased by $44,652. The decrease is due to cost cutting measures in the current period as well as a foreign exchange gain.

- 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 mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. 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.

Cash used in operating activities was $214,226 for the six months ended December 31, 2016 compared to $9,558 in the six months ended December 31, 2015. Operating activities were affected by net income of $379,430 offset by non-cash items of $406,546 and the negative change in non-cash working capital balances of $187,110 related to the decrease in accounts payables and accrued liabilities.

Cash provided by financing activities was $262,457 for the six months ended December 31, 2016 compared to $nil in the six months ended December 31, 2015. Financing activities included $120,461 of proceeds for shares to be issued and $141,996 proceeds from promissory notes.

At December 31, 2016, SMP had $66,964 in cash and cash equivalents (June 30, 2016 - $19,393).

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 of December 31, 2016, and to the date of this MD&A, the cash resources of SMP are held with the Royal Bank of Canada.

The Company has promissory notes payable of $248,996 which the holders have agreed to convert to common shares (see "Outlook and Overall Performance" above). 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 2017, the Company's expected operating expenses are estimated to average $10,000 per month for recurring operating costs. 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 $203,234 at December 31, 2016, is not anticipated to be adequate for it to continue operations for the twelve-month period ending December 31, 2017. The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on its current project.

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) The Company entered into the following transactions with related parties:

Carmelo Marrelli, a director of the Company, is President of Marrelli Support Services Inc. ("Marrelli Support"), a firm providing accounting services. Fees for services provided by Marrelli Support totaled $2,503, for the three and six months ended December 31, 2016 (three and six months ended December 31, 2015 - $nil). As at December 31, 2016, Marrelli Support was owed $4,217 and this amount was included in accounts payable and accrued liabilities (June 30, 2016 - $nil).

(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,**	
	2016 ($)	**2015 ($)**	**2016 ($)**	**2015 ($)**	**2016 ($)**	**2015 ($)**
Richard Kelertas, Former Director	nil	nil	nil	544	nil	544
Jason Bahnsen, Former Director	nil	nil	nil	4,757	nil	4,757
Total	**nil**	**nil**	**nil**	**5,301**	**nil**	**5,301**

	Salaries and benefits		Share based payments		Total	
	Six Months Ended December 31,		Six Months Ended December 31,		Six Months Ended December 31,	
	2016 ($)	2015 ($)	2016 ($)	2015 ($)	2016 ($)	2015 ($)
Richard Kelertas, Former Director	nil	nil	nil	1,293	nil	1,293
Jason Bahnsen, Former Director	nil	nil	nil	9,583	nil	9,583
Total	**nil**	**nil**	**nil**	**10,876**	**nil**	**10,876**

(c) Promissory notes

As of December 31, 2016, $107,000 (June 30, 2016 - $107,000) of unsecured, non-interest bearing promissory notes due on demand were owing as follows:

Names	December 31, 2016 ($)	June 30, 2016 ($)
Hugh Agro, CEO and CFO	51,000	51,000
Richard Kelertas, former director	5,000	5,000
Peter Kozicz, former director	51,000	51,000
Total	**107,000**	**107,000**

As of December 31, 2016, $116,996 (June 30, 2016 - $nil) of unsecured promissory notes bearing interest at a rate of Prime Rate plus 2% per annum and due on demand were owing to related parties as follows:

Names	December 31, 2016 ($)	June 30, 2016 ($)
C. Marrelli Services Limited, a Company controlled by Carmelo Marrelli, director	56,996	-
Hugh Agro, CEO and CFO	35,000	-
Michael Mansfield, director	25,000	-
Total	**116,996**	**-**

(d) Insider shareholdings

As of December 31, 2016, Dundee controls 3,941,667 common shares of the Company or approximately 16% of the total common shares outstanding.

As of December 31, 2016, Hugh Agro controls 4,192,258 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.

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 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 condensed consolidated interim financial statements; and (ii) the 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

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended June 30, 2016, available on SEDAR at **www.sedar.com**.