MUNDORO

Consolidated Financial Statements

For the Years Ended December 31, 2014 and 2013

Expressed in Canadian Dollars

April 14, 2015

Independent Auditor's Report

To the Shareholders of Mundoro Capital Inc.

We have audited the accompanying consolidated financial statements of Mundoro Capital Inc. which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform our audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mundoro Capital Inc. as at December 31, 2014 and its financial performance and its cash flows for the year ended December 31, 2014 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other matters
The consolidated financial statements of Mundoro Capital Inc. as at and for the year ended December 31, 2013, were audited by another auditor who expressed an unmodified opinion on the consolidated financial statements on March 13, 2014.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		December 31, 2014		December 31, 2013
ASSETS				
Current assets				
Cash and cash equivalents	$	**86,474**	$	177,647
Short-term investments		**7,485,759**		10,874,695
Amounts receivable (note 5)		**174,409**		322,512
Deposits		**30,250**		33,841
Prepaid expenses		**83,077**		79,636
		7,859,969		**11,488,331**
Non-current assets				
Restricted cash (note 4)	$	**424,790**	$	67,252
Mineral interests (note 8)		**507,254**		612,893
Equipment and vehicles (note 7)		**99,749**		158,794
Investments (note 6)		**344,364**		344,364
		1,376,157		**1,183,303**
TOTAL ASSETS	**$**	**9,236,126**	**$**	**12,671,634**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (notes 10 & 12)	$	**351,031**	$	314,690
TOTAL LIABILITIES	**$**	**351,031**	**$**	**314,690**
EQUITY				
Share capital (note 11)	$	**45,801,709**	$	45,728,209
Contributed surplus		**8,862,637**		8,549,487
Stock options reserve (note 11(d))		**591,474**		846,773
Accumulated Other Comprehensive Income		**45,191**		98,259
Deficit		**(46,415,916)**		(42,865,784)
TOTAL EQUITY	**$**	**8,885,095**	**$**	**12,356,944**
TOTAL EQUITY AND LIABILITIES	**$**	**9,236,126**	**$**	**12,671,634**

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements are authorized for issue by the Board of Directors on April 14, 2015.

They are signed on the Company's behalf by:

/s/ Michael Calyniuk Director   */s/ Teo Dechev Director*

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Interest income	$ 143,447	$ 195,953
EXPENSES		
Exploration and project evaluation (note 9)	2,524,028	3,226,231
Corporate governance	318,425	536,595
General and administrative	156,857	173,650
Accounting and audit	125,000	131,662
Corporate communication	260,458	442,881
	3,384,768	4,511,019
LOSS BEFORE OTHER EXPENSES	3,241,321	4,315,066
OTHER (INCOME) EXPENSES		
Share-based payments (note 11(c))	57,851	114,667
Depreciation (note 7)	45,087	51,890
Foreign exchange (gain) loss	1,647	(7,282)
Loss on disposal of fixed assets (note 7)	10,842	4,193
Write-down of mineral properties (note 8)	193,384	89,853
	308,811	253,321
NET LOSS FOR THE YEAR	3,550,132	4,568,387
OTHER COMPREHENSIVE (INCOME) WHICH MAY BE RE-CLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
Foreign currency translation differences for foreign operations	53,068	(31,126)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ 3,603,200	$ 4,537,261
Loss per share		
Basic and diluted loss per share:	$ (0.08)	$ (0.11)

The accompanying notes are an integral part of these consolidated financial statements.

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income	Deficit	Total
Balance at December 31, 2012	**41,861,776**	**$ 45,351,316**	**$ 8,547,037**	**$ 738,842**	**$ 67,133**	**$ (38,297,397)**	**$ 16,406,931**
Shares issued for cash - private placement	1,550,000	434,000	-	-	-	-	434,000
Share issue costs	-	(69,143)	-	-	-	-	(69,143)
Shares issued for cash - stock option exercise	25,000	7,750	-	-	-	-	7,750
Reclassification of grant-date fair value on exercise of stock options	-	4,286	-	(4,286)	-	-	-
Reclassification of grant-date fair value on expired options	-	-	2,450	(2,450)	-	-	-
Share-based payments	-	-	-	114,667	-	-	114,667
Net comprehensive income (loss) for the year	-	-	-	-	31,126	(4,568,387)	(4,537,261)
Balance at December 31, 2013	**43,436,776**	**$ 45,728,209**	**$ 8,549,487**	**$ 846,773**	**$ 98,259**	**$ (42,865,784)**	**$ 12,356,944**

	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income	Deficit	Total
Balance at December 31, 2013	**43,436,776**	**$ 45,728,209**	**$ 8,549,487**	**$ 846,773**	**$ 98,259**	**$ (42,865,784)**	**$ 12,356,944**
Share issue costs	-	-	-	-	-	-	-
Shares issued on acquisition of mineral property (Note 11(b))	350,000	73,500	-	-	-	-	73,500
Reclassification of grant-date fair value on expired options	-	-	313,150	(313,150)	-	-	-
Share-based payments (Note 11(c))	-	-	-	57,851	-	-	57,851
Net comprehensive income (loss) for the year	-	-	-	-	(53,068)	(3,550,132)	(3,603,200)
Balance at December 31, 2014	**43,786,776**	**$ 45,801,709**	**$ 8,862,637**	**$ 591,474**	**$ 45,191**	**$ (46,415,916)**	**$ 8,885,095**

The accompanying notes are an integral part of these consolidated financial statements.

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (3,550,132)**	**$ (4,568,387)**
Adjustments for items not affecting cash:		
Depreciation	45,087	51,890
Share-based payments	57,851	114,667
Loss on disposal of equipment	10,842	4,193
Write-down of mineral properties	193,384	89,853
	(3,242,968)	**(4,307,784)**
Net changes in non-cash working capital items:		
Amounts receivable	(27,926)	(48,872)
Prepaid expenses	(4,601)	7,219
Deposits	2,855	(16,094)
Accounts payable and accrued liabilities	49,629	(273,664)
Net cash flows (used in) operating activities	**(3,223,010)**	**(4,639,195)**
FINANCING ACTIVITIES		
Issuance of common shares for cash, net of share issue costs	-	364,857
Shares issued on exercise of options	-	7,750
Net cash flows from financing activities	**-**	**372,607**
INVESTING ACTIVITIES		
Expenditures on resource properties	(30,822)	(377,501)
Net proceeds on redemption and purchase of short-term investments, net of interest earned	3,554,445	4,542,218
Purchase of equipment	(12,391)	(52,478)
Proceeds on disposition of asset	10,783	-
Restricted Cash (note 4)	(357,538)	(67,252)
Investment in Bulgaria (note 6)	-	(280,853)
Net cash flows from investing activities	**3,164,477**	**3,764,134**
Effects of exchange rate changes on cash and cash equivalents	**(32,639)**	**(15,533)**
Net (decrease) in cash and cash equivalents	**(91,173)**	**(517,987)**
Cash and cash equivalents, beginning of year	**177,647**	**695,634**
Cash and cash equivalents, end of year	**$ 86,474**	**$ 177,647**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Mundoro Capital Inc. (the "Company" or "MCI" or "Mundoro") is an exploration, development and investment company in the mineral resource sector. The Company's current exploration activity is focused on the Tethyan Belt of Serbia and Bulgaria in Southeastern Europe, and in Mexico. The business of exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in discovery or future profitable operations.

The Company was incorporated on March 6, 2008 under the Business Corporations Act of the Province of British Columbia for the purpose of acquiring all of the shares of Mundoro Mining Inc. ("MMI"), through a Plan of Arrangement. The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

The Company's head office and principal address is 1401-1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance to International Financial Reporting Standards

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

c) Adoption of new accounting standards

The following amendment to an existing standard has been adopted by the Company commencing January 1, 2014:

IAS 32 "*Financial Instruments: presentation*" – The amendments to IAS 32, Financial Instruments: presentation, clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial instruments. At January 1, 2014, the Company adopted this standard and there is no impact on the consolidated financial statements.

The impact of adopting other new standards, amendments and improvements effective January 1, 2014, had no impact on comprehensive income or significant disclosures.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company's principal wholly owned subsidiaries are:

- Stara Planina Resources d.o.o., located in Serbia and which holds eight exploration licenses;
- Bulgaria Alpha EAD, which holds three exploration licenses in Bulgaria; and
- Mundoro de Mexico S.A. de C.V., which holds ten mineral concessions located in the Mesa Central belt of Mexico.

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

e) *Foreign currency translation*

These consolidated financial statements are presented in CAD$. The functional currency of the Company and its controlled entities are measured using the currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity, Mexican entity, Bulgarian entity and Serbian entity are the Canadian dollar (CAD$), Mexican peso (MXN), Bulgarian Lev (BGN) and Serbian dinar (RSD), respectively.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise.

Presentation Currency:

The financial results and position of the entities whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded in the foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

f) *Equipment and vehicles*

Equipment and vehicles are initially recognized at cost. All items of equipment and vehicles are subsequently carried at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on all items of equipment and vehicles to write off the carrying value of items over their expected useful economic lives. Depreciation is provided at the following annual rates:

Computers	30% declining balance
Furniture and fixtures	20% declining balance
Office equipment	20% declining balance
Field equipment	30% declining balance
Vehicles	30% declining balance

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

g) *Mineral interests*

Exploration Assets

Exploration assets include acquired mineral use rights for mineral properties held by the Company. The amount of consideration paid (in cash or share value) for mineral use rights is capitalized. The amounts shown for exploration assets represent costs of acquisition incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be amortized against future production or written off if the exploration assets are abandoned or sold. The Company has classified exploration assets as intangible in nature.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

g) *Mineral Interests (continued)*

Exploration and Project Evaluation Costs
Exploration and project evaluation costs, other than acquisition costs, are expensed as incurred until such time as proven and probable reserves are established. Following confirmation of mineral reserves, exploration and evaluation expenditures are capitalized as deferred development assets.

h) *Impairment of non-financial assets*
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in comprehensive loss.

i) *Share-based payments*
The Company's share option plan allows directors, officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

j) *Financial instruments*

Financial Assets
Financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, loans and receivables, fair value through profit or loss ("FVTPL") or at available-for-sale.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Financial assets classified as loans and receivables are measured at amortized cost less impairment. The Company has classified its cash and cash equivalents, short-term investments, deposits, and restricted cash, and amounts receivable as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

j) Financial instruments (continued)
Financial Assets (continued)

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss. The Company has classified its investments as available-for-sale as the underlying assets are not publicly traded nor does the Company have any intention to sell these investments in the near future. The Company reviews its investment valuations for impairment annually considering factors such as dividends, profitability and underlying asset value.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities
Financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or classified as other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method. The Company has classified its accounts payable, accrued liabilities and compensation liabilities as other financial liabilities.

k) Taxation
Tax expense comprises the sum of deferred tax and current tax not recognized directly in equity.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization or settlement, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to set off current tax assets and liabilities and the deferred income taxes related to the same taxable entity and the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in comprehensive loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Cash, cash equivalents and short-term investments
Cash and cash equivalents comprise cash on hand and deposits held on call with banks. Short term investments are highly liquid investments that are readily convertible into cash and which are subject to insignificant risk of changes in value.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

m) Management judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgements and estimates that the Company has made in the preparation of the financial statements that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities:

Impairment

The application of the Company's accounting policy for impairment of non-financial assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures or further exploration and project evaluation of resource properties are budgeted and results of exploration and project evaluation activities on the exploration assets. Management has assessed impairment indicators on the Company's mineral interests and concluded that no impairment indicators existed as of December 31, 2014.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretation, will become effective subsequent to January 1, 2015. Many are not applicable to the Company and have been excluded from the discussion below. Those that are expected to be applicable to the consolidated financial statements of the Company are discussed below. The Company intends to adopt those standards when they become effective. As at December 31, 2014, the Company has not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

IFRS 9 – Financial Instruments. This standard and its consequential amendments will replace IAS 39 Financial Instruments: Recognition and Measurement. 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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.

IFRS 11 – Joint Arrangements – Accounting for acquisitions of Interest in Joint Operations. This standard has been amended to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 – Business Combinations) to apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11, and disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in a joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured). This amended standard is effective for annual periods beginning on or after January 1, 2016.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

4. RESTRICTED CASH

	December 31, 2014	December 31, 2013
Mineral Property Guarantee Deposits	**$ 424,790**	**$ 67,252**

*Restricted cash consists of cash held by the Bulgarian government as guarantees on the mineral licenses in country.

5. AMOUNTS RECEIVABLE

	December 31, 2014	December 31, 2013
Amounts Receivable		
VAT/GST Receivable	$ 174,178	$ 319,223
Trade Receivable	231	3,289
	$ 174,409	**$ 322,512**

6. INVESTMENTS

China

On October 11, 2011, the Company completed a strategic transaction with China National Gold Group Hong Kong Limited ("CNGHK"). Pursuant to the share purchase agreement, CNGHK acquired 95% of the issued and outstanding shares of MMI, the Company's previously wholly-owned subsidiary, for a cash purchase price of $13,800,000, with the Company retaining 5% of the issued and outstanding shares of MMI.

The Company has not been informed by MMI (a private Canadian Company controlled by CNGHK) of any change in (i) status of the licenses for the Maoling Gold Project or (ii) any loan or guarantee provided by CNGHK to MMI. The investment represents the retained 5% ownership interest in MMI. As at December 31, 2014, the balance of the investment was $63,511 (December 31, 2013 - $63,511).

Bulgaria

On June 10, 2013, the Company, through a 100%-owned subsidiary, acquired at a cost of $280,853 less than a 5% equity interest in a privately held gold producing company in Bulgaria that operates adjacent to the Company's Zvezda license. As at December 31, 2014, the Company had not received any indication from the majority owner that would indicate any impact on the carrying value of the investment.

Available for Sale Investments	December 31, 2014	December 31, 2013
Investment in China	**$ 63,511**	$ 63,511
Investment in Bulgaria	**280,853**	280,853
	$ 344,364	**$ 344,364**

(Expressed in Canadian Dollars)

7. EQUIPMENT AND VEHICLES

		Office Equipment		Field equipment		Total
Cost						
As at December 31, 2012	$	48,898	$	126,404	$	175,302
Additions		4,310		48,168		52,478
Disposals		-		(4,414)		(4,414)
Effect of movements in exchange rates		1,294		15,257		16,551
As at December 31, 2013	**$**	**54,502**	**$**	**185,415**	**$**	**239,917**
Additions		6,223		6,168		12,391
Disposals		(9,784)		(39,915)		(49,699)
Effect of movements in exchange rates		(120)		(8,189)		(8,309)
Balance at December 31, 2014	**$**	**50,821**	**$**	**143,479**	**$**	**194,300**
Accumulated depreciation						
As at December 31, 2012	$	(10,518)	$	(14,920)	$	(25,438)
Depreciation for the year		(11,096)		(40,794)		(51,890)
Disposals		-		221		221
Effect of movements in exchange rates		(369)		(3,647)		(4,016)
As at December 31, 2013	**$**	**(21,983)**	**$**	**(59,140)**	**$**	**(81,123)**
Depreciation for the year		(10,627)		(34,460)		(45,087)
Disposals		5,481		22,593		28,074
Effect of movements in exchange rates		81		3,504		3,585
Balance at December 31, 2014	**$**	**(27,048)**	**$**	**(67,503)**	**$**	**(94,551)**
Net book amount						
As at December 31, 2013		32,519		126,275		158,794
Balance at December 31, 2014	**$**	**23,773**	**$**	**75,976**		**99,749**

(Expressed in Canadian Dollars)

8. MINERAL INTERESTS

	European Projects	Mexico Projects	Total
Balance as at December 31, 2013	**$ 444,417**	**$ 168,476**	**$ 612,893**
Add:			
Acquisition costs	104,322	-	104,322
Less:			
Write-down	(29,964)	(163,420)	(193,384)
Add:			
Effect of movements in exchange rates	(18,288)	1,711	(16,577)
Balance at December 31, 2014	**$ 500,487**	**$ 6,767**	**$ 507,254**

Serbian Properties

The Company holds eight (2013 – eight) 100%-owned exploration licenses which include: (i) Zeleznik, (ii) Topla, (iii) Borsko Jezero, (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, and (viii) Dubrava-Ostrelj. These properties are located in Northeastern Serbia approximately 100 km east of Belgrade and are held in the name of Stara Planina d.o.o., Mundoro's 100%-owned Serbian company. To maintain title to the exploration licenses in Serbia, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes, estimated to be $44,000 in 2015, to the government.

Bulgarian Properties

The Company holds three (2013 – two) 100%-owned exploration licenses which include: (i) Zvezda, (ii) Byalo and (iii) Chuprene. The Zvezda and Byalo licenses are located in the Southeastern Rhodopes region. Chuprene is located in the Late Palaeozoic Belt of north-west Bulgaria. To maintain title to the exploration licenses in Bulgaria, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes to the government of approximately $40,000 in 2015 for the exploration contracts.

Mexico Properties

As of December 31, 2014, the Company holds nine (2013 – twelve) 100%-owned mineral concessions in a prospective mineral region in the Mesa Central belt of Durango and Chihuahua States in Mexico. The nine concessions which comprise: (i) Cuencame, (ii) Cuencame 2, (iii) Cuencame 4, (iv) Camargo, (v) Hidalgo 3, (vi) Hidalgo 4, (vii) Mapimi Fraccion 1, (viii) Rodeo, and (ix) Mapimi, are held through its wholly owned subsidiary Mundoro de Mexico, S.A. de C.V. During 2014, the Company wrote down all of the concessions with the exception of Camargo. In 2014, applications have been submitted with the Mexican General Bureau of Mines (GBM) to drop these concessions. As at December 31, 2014, two of the applications to drop have been granted by the GBM. To maintain the Camargo mineral concession, the Company has an ongoing annual exploration expenditure commitment and is obligated to pay approximately $4,000 in 2015 in semi-annual government property tax payments.

On August 22, 2012 the Company executed a definitive option agreement for the Centauro Gold Property ("Centauro") located in Chihuahua State, Mexico. The Company opted, on August 18, 2014, to exercise its right to early termination of the option agreement due to current market conditions. The impact of this termination was a write-down of $75,272 in the capitalized mineral properties.

(Expressed in Canadian Dollars)

9. EXPLORATION AND PROJECT EVALUATION

The following is a summary of expenditures incurred on the Eastern European and Mexican projects during the year:

	Europe			Other Project	
	Serbia	Bulgaria	Mexico	Evaluation	Total
For the year ended December 31, 2014					
Corporate [1]	$ 124,543	$ 119,416	$ 99,124	$ -	$ 343,083
Land holding [2]	81,128	41,400	170,976	-	293,504
Government and community relations [3]	22,523	61,302	-	-	83,825
Field related [4]	83,325	56,803	4,674	-	144,802
Personnel [5]	383,134	309,215	8,749	16,305	717,403
Technical Services [6]	420,695	122,940	-	-	543,635
Project evaluation [7]	143,354	67,915	64,628	121,879	397,776
	$ 1,258,702	$ 778,991	$ 348,151	$ 138,184	$ 2,524,028
For the year ended December 31, 2013					
Corporate [1]	$ 169,028	$ 121,099	$ 157,969	$ -	$ 448,096
Land holding [2]	97,632	11,466	243,371	-	352,469
Government and community relations [3]	37,693	50,071	8,855	-	96,619
Field related [4]	101,565	34,043	51,111	-	186,719
Personnel [5]	443,193	107,434	293,189	-	843,816
Technical Services [6]	761,679	71,355	102,236	-	935,270
Project evaluation [7]	88,677	59,576	30,795	184,194	363,242
	$ 1,699,467	$ 455,044	$ 887,526	$ 184,194	$ 3,226,231

1) Corporate expenses include legal fees, and general and administrative costs related to the projects.
2) Land holding costs include property taxes and related costs associated with holding the properties.
3) Government and community relations relates to the costs of communicating with governing bodies in the local jurisdictions.
4) Field related expenses include items such as field equipment costs, and lodging for field personnel.
5) Personnel costs for conducting exploration work include consultants and employees, full-time and allocated.
6) Technical Services expenditures include activities such as geochemical sampling and assaying, geophysical surveys and interpretation, and drilling and assaying.
7) Project evaluation expenditures capture those costs incurred in evaluating new and existing mineral project opportunities.

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2014	December 31, 2013
Trade payables	$ 219,123	$ 172,152
Accrued liabilities	131,908	142,538
	$ 351,031	$ 314,690

11. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

On May 12, 2014, the Company announced it had entered into an agreement to purchase the Chuprene Exploration Permit located in north-western Bulgaria close to the border with Serbia, from the permit holder who is an arm's length private third party. On July 14, 2014, the transaction was completed when the Company made an upfront payment to the seller of 350,000 common shares of Mundoro in consideration of the transfer of the Chuprene Exploration Permit. The transaction was recorded using the fair value of the shares on the date the transaction was completed. The shares were subject to a four month hold period which expired November 15, 2014.

At December 31, 2014 there were 43,786,776 issued and fully paid common shares (December 31, 2013 – 43,436,776).

c) Stock options

At the Company's 2009 Annual General Meeting ("AGM"), the shareholders approved a stock option plan for the Company's directors, officers, employees and consultants. The stock option plan was approved by shareholders on May 27, 2011, and amended by the Board on March 26, 2012.

The changes in options during the years ended December 31, 2014 and 2013 were as follows:

	December 31, 2014		December 31, 2013	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Opening Balance, January 1, 2014	**3,790,000**	**$ 0.46**	2,994,375	$ 0.50
Granted	-	-	1,035,000	0.30
Excercised	-	-	(25,000)	0.31
Expired	(474,166)	0.57	(18,750)	0.41
Cancelled	(490,000)	0.57	-	-
Forfeited	(3,334)	0.28	(195,625)	0.34
Closing Balance, December 31, 2014	**2,822,500**	**$ 0.42**	3,790,000	$ 0.46

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

c) Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at December 31, 2014:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
August 11, 2015	210,000	210,000	0.82	0.61
February 25, 2016	50,000	33,000	0.59	1.15
August 3, 2016	700,000	700,000	0.50	1.59
November 28, 2016	150,000	75,000	0.31	1.91
February 7, 2017	52,500	39,375	0.41	2.11
April 3, 2017	225,000	225,000	0.37	2.26
May 21, 2017	300,000	283,330	0.38	2.39
November 14, 2017	105,000	105,000	0.34	2.87
April 3, 2018	177,500	118,332	0.28	3.26
December 2, 2018	852,500	568,339	0.30	3.92
	2,822,500	**2,357,376**		**2.53**

There were no options granted during the year ended December 31, 2014. The estimated value of the options granted during the year ended December 31, 2013 was calculated using the Black-Scholes Option Pricing Model with the following assumptions:

	For the year ended	
	December 31, 2014	December 31, 2013
Risk-free interest rate	N/A	1.19% -1.54%
Expected annual volatility	N/A	59% - 77%
Expected life (in years)	N/A	2.5 - 4.5
Expected dividend yield	N/A	0%
Grant date fair value per option	N/A	$0.06 - $0.17

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended December 31, 2014, the Company recognized share-based payments expense of $57,851 (2013 – $114,667). For the years ended December 31, 2014 and 2013, share-based payments expense related to the stock options consists of the following:

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

	For the year ended	
	December 31, 2014	December 31, 2013
For services in respect of:		
Exploration and project evaluation	**$ 25,727**	$ 50,500
Corporate governance	**21,368**	39,405
Accounting and audit	**5,828**	8,612
Corporate communication	**4,928**	16,150
	$ 57,851	$ 114,667

d) Reserves

Stock options reserve
The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to additional paid-in capital.

Foreign currency translation reserve
The foreign currency translation reserve records foreign exchange differences arising on translation of the Company's financial statements to the presentation currency (CAD$).

12. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances
The balances due to related parties included in accounts payables and accrued liabilities were $23,985 as at December 31, 2014 (December 31, 2013 – $34,953). These amounts are for reimbursement of expenses and service fees.

b) Related party transactions

	For the year ended	
	December 31, 2014	December 31, 2013
Directors' fees	**$ 127,145**	$ 142,896
Management salaries and benefits	**374,352**	367,152
Share based payments - Directors	**19,896**	38,918
Share based payments - Management	**24,352**	57,086
	545,745	606,052

(Expressed in Canadian Dollars)

13. COMMITMENTS

Office Lease

In February 2010, the Company signed a lease agreement for office space in Vancouver for a term of five years ending March 31, 2015. In December of 2014, the Company signed a renewal agreement to extend the lease for a further 3 years ending March 31, 2018. The Company also has leased offices in Mexico, Serbia and Bulgaria. The Mexican office and Bulgarian offices can be terminated with 30 days notice while the lease agreement for the office in Serbia can be terminated with 60 days notice. As of December 31, 2014, the minimum obligations under these leases are as follows:

	Canada	Mexico	Europe	Total
2015	**$ 72,736**	**$ -**	**$ -**	**$ 72,736**
2016	**73,152**	**-**	**-**	**73,152**
2017	**73,152**	**-**	**-**	**73,152**
2018	**18,288**			**18,288**
	$ 237,328	**$ -**	**$ -**	**$ 237,328**

During the year ended December 31, 2014, $105,253 of lease payments have been recognized as an expense (2013 - $103,429).

14. SEGMENTED INFORMATION

The Company has the following geographic segments: the Mexico exploration program ("Mexico"), the Serbian and Bulgarian exploration programs ("Europe") and, corporate administrative functions in Canada. The Company's total assets and net losses by geographic segment are as follows:

	Canada	Mexico	Europe	Total
Assets				
Balance at December 31, 2014				
Non-current	$ 191,766	$ 8,397	$ 1,175,994	**$ 1,376,157**
Current	7,619,519	101,550	138,900	**7,859,969**
Total Assets	$ 7,811,285	$ 109,947	$ 1,314,894	**$ 9,236,126**
As at December 31, 2013				
Non-current	$ 151,990	$ 171,765	$ 859,548	**$ 1,183,303**
Current	11,112,959	171,284	204,088	**11,488,331**
Total Assets	$ 11,264,949	$ 343,049	$ 1,063,636	**$ 12,671,634**
Net loss for the year:				
For the year ended December 31, 2014	$ 1,852,072	$ 407,127	$ 1,290,933	**$ 3,550,132**
For the year ended December 31, 2013	$ 2,395,057	$ 733,443	$ 1,439,887	**$ 4,568,387**

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company continuously reviews the shareholders' equity, cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Company expects its current capital resources will be sufficient to carry its activities through the current operating period.

16. FINANCIAL INSTRUMENTS

a) Financial Risk Management

The Company is exposed to a variety of financial instrument related risks. The types of risk exposure and the way in which such exposure is managed are as follows:

Credit risk

The Company is exposed to credit risk with respect to its cash, cash equivalents and short-term investments. Cash, cash equivalents and short-term investments have been placed on deposit with major Canadian financial institutions.

The risk arises from the non-performance of counter parties of contractual financial obligations. The Company manages credit risk, in respect of cash, cash equivalents and, short-term investments by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution.

Concentration of credit risk exists with respect to the Company's cash and short term investments as the majority of the amounts are held at a single Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

(Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS (continued)

a) *Financial Risk Management (continued)*

		December 31, 2014		December 31, 2013
Held at major Canadian financial institutions:				
Cash	$	44,693	$	103,089
Guranteed Investment Certificate		7,485,759		10,874,695
		7,530,452		**10,977,784**
Held at major Mexican financial institution:				
Cash	$	6,210	$	21,280
Held at major European financial institutions:				
Cash	$	35,571	$	53,278
Total cash and short-term investments	**$**	**7,572,233**	**$**	**11,052,342**

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are in commercial paper, bankers acceptances and other money market instruments issued by Canadian Federal and Provincial governments and other entities with a Dominion Bond Rating Service credit rating of R1M or higher.

The Company is exposed to certain risks associated with receivables held in foreign jurisdictions. Management believes these risks are not significant.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk requirements for its exploration, development and other corporate activities, and ensuring that it has sufficient cash and cash equivalents on hand to meet its short-term business requirements. Management and the Board of Directors annually review, plan and approve annual budgets and significant expenditures and commitments. The Company believes that it has sufficient cash, cash equivalents and short-term investments to meet its short-term business requirements. In the long-term, the Company may have to raise funds through the issuance of equity, assumption of debt, or other financing alternatives to complete development of its current projects and any projects acquired by the Company in the future. There are no assurances that the Company would be successful in its efforts to secure any required future financing.

The Company maintained sufficient cash and cash equivalents and short-term investments at December 31, 2014 in the amount of $86,474 and $7,485,759 respectively, in order to meet short-term business requirements. At December 31, 2014 the Company had accounts payable and accrued liabilities of $340,531, which will be paid within three months.

16. FINANCIAL INSTRUMENTS (continued)

b) *Financial Risk Management (continued)*

Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash, cash equivalents and, short-term investments primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2014. As at December 31, 2014, the Company holds $7,485,759 in short-term investments. Based on this net exposure as at December 31, 2014, and assuming that all other variables remain constant, a 10% change in the interest rate the Company is currently receiving would result in an increase or decrease of approximately $7,524 in the Company's net loss.

Currency risk

The Company primarily operates in Canada, Mexico, Serbia and Bulgaria, and its expenses are incurred in CAD$, US$, MXN, EUR, BGN and RSD, whereas the functional currency of the Canadian entity, Mexican entity, Bulgarian entity and Serbian entity are the CAD$, MXN, BGN and RSD, respectively. The Company is affected by currency transaction risk, which may affect the Company's operating results as exchange rates fluctuate. The Company has not hedged its exposure to currency risk.

The Company is also affected by currency translation risk as the Company's reporting currency is CAD$ which differs from the functional currency of many of the subsidiaries. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on dates of transactions. At each financial reporting date, monetary assets and liabilities that are denominated in foreign currency are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items are measured in terms of historical costs in a foreign currency are not retranslated. Gains and losses on translation are included in net profit or loss for the year. The financial statements are subsequently translated into the CAD$ reporting currency by translating the assets and liabilities at the closing rate at the reporting date and translating income and expenses for the period at the year-to-date average exchange rates, with the resulting translation adjustment recorded in other comprehensive (income) loss.

The Company maintains its funds in Canadian dollars and purchases foreign currencies to meet current operating needs.

(Expressed in Canadian Dollars)

17. TAX NOTE

a) Income tax expense

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 26.0% (2013 – 25.75%) as follows:

		2014	2013
Expected tax recovery	**$**	**(923,000)**	(1,171,000)
Share based compensation and other differences		**297,000**	256,000
Foreign exchange rate and tax rate differences		**141,000**	(7,000)
Tax assets which have not been recognized		**485,000**	922,000
Income tax expense	**$**	**-**	$ -

b) Deferred income tax assets

As at December 31, 2014 no deferred tax assets are recognized on temporary differences as it is not probable that sufficient future taxable profit will be available to realize such assets.

As at December 31, 2014, the unrecognized amount of deferred tax asset arising from the deductible temporary differences are as follows:

	December 31, 2014	December 31, 2013
Tax loss carryforwards and resource pools	**3,500,000**	3,107,000
Other	**107,000**	113,000
	3,607,000	3,220,000

The Company has tax losses in Canada of approximately $7,560,000 (2013 – 8,150,000) expiring in various amounts from 2028 to 2033. The Company also has tax losses in Mexico of approximately $2,601,000 (2013 - $2,534,000) expiring from 2021 to 2023, tax losses in Serbia of approximately $1,424,000 (2013 – $1,378,000) expiring in 2017 to 2018, and tax losses in Bulgaria of approximately $239,000 (2013 – $221,000) expiring from 2017 to 2018.