



MUNDORO

MANAGEMENT DISCUSSION AND ANALYSIS

For The Year Ended December 31, 2014
Expressed in Canadian Dollars



1. INTRODUCTION

Mundoro Capital Inc. (“Company”, “MCI”, and “Mundoro”) is a Canadian based mineral acquisition, exploration, development and investment company (see discussion under “Summary of Activities”). The Company’s common stock is quoted on the TSX Venture Exchange (“TSXV”) under the symbol MUN.

This management discussion and analysis (“MD&A”) should be read in conjunction with the Company’s consolidated financial statements and supporting notes for the year ended December 31, 2014, which 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”).

This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors. All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to Mundoro is available on our website at www.mundoro.com and on the Canadian Securities Administrator’s website at www.sedar.com.

2. FORWARD LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as “plans”, “intends”, “anticipates”, “should”, “estimates”, “expects”, “believes”, “indicates”, “suggests” and similar expressions.

This MD&A and in particular the “Outlook” section, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company’s expectations as of April 14, 2015.
- Readers are cautioned not to place undue reliance on these forward-looking statements as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

The material assumptions that were applied in making the forward looking statements in this MD&A include: expectations as to the Company’s future strategy and business plan; and execution of the Company’s existing plans, which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans.

For a description of material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, please see “Risks and Uncertainties”.



3. SUMMARY OF ACTIVITIES

Overview and Outlook

The Company ended the period with \$7,572,233 in cash, cash equivalents and short term investments, and has no debt as at December 31, 2014.

Our primary focus is advancing our properties on the Tethyan Metallogenic Belt in Serbia and Bulgaria in Southeastern Europe. Mundoro has methodically acquired and developed drill targets on this district-scale land package on this prolific mineral belt which hosts significant Gold-Copper (Au-Cu) porphyry and related epithermal deposits. Our experienced team and strong project pipeline, which also includes investments in gold projects in China and Bulgaria, is positioned to drive long-term, sustainable growth in order to attain shareholder return.

The Company continues to evaluate advanced and development stage mineral resource properties for acquisition, joint venture, or investment while at the same time advancing the current exploration properties in Serbia and Bulgaria. All properties are evaluated on a quarterly basis as to whether to continue exploration, progress into development, joint venture out, or drop the property.

Serbia Exploration Program

The Company's mineral exploration license areas in the Republic of Serbia ("Serbia") total 637 square kilometers (sq.km) and are located in Northeastern Serbia, approximately 100km east of Belgrade, the capital of the country. The mineral exploration licenses are within the well-known Timok Magmatic Complex ("TMC"), a segment of the Tethyan Metallogenic Belt which runs from Eastern Europe to Asia. The TMC hosts significant Au-Cu porphyry deposits (Bor, Majdanpek, Veliki Kreveli, etc.) and related Cu-Au epithermal deposits. The mineral exploration licenses are held through the Company's 100%-owned subsidiary Stara Planina Resources EAD, and are: (i) Zeleznik, (ii) Topla, (iii) Borsko Jezero, (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, and (viii) Dubrava-Ostrelj (Dubrava).

The Serbian Exploration properties are all located near the town of Bor which has an thriving mining community to service the current mining operations, both open pit and underground, as well as a smelting and processing facility. The area has good infrastructure, well serviced roads and grid power.

Summary of activity:

- **Sumrakovac** license is a 103 sq.km area located 5km southwest of the Bor Mine Complex and is adjacent on the west side to the Freeport/Reservoir Timok JV license.

Ground magnetic geophysical results highlighted additional anomalous centers east of the known Skorusa Cu-Au porphyry, which have been interpreted as possible stockwork related mineralisation. Below are the main conclusions from the interpretation and analysis of the data:

- A major north-south to northwest linear magnetic low susceptibility anomaly is defined at the contact between tuffs and argillic altered rocks. The anomaly has a depth extension to about 400-500m and clearly dips to the west. In general the northwest low magnetic zones are a characteristic feature of the ore controlling structure in the Timok magmatic complex.
- The stockwork zone at Tilva Skorusa is characterized as a local east-northeast trending magnetic high which extends to a depth of 250-300m from the surface. Immediately to the south of the magnetic stockwork zone a second north-northwest trending local magnetic susceptibility high is interpreted as a possible unknown stockwork zone.
- Additional similar anomalies are observed at the eastern end of the diorite intrusion- related anomalies which need ground follow-up to confirm their nature.

Mapping at Sumrakovac continued to the east of Tilva Skorusa porphyry stockwork and covered an area 6 sq.km over the previously defined soil and ground magnetic anomalies. Rock chip sampling from quartz vein outcrops



returned copper (Cu) values up to 0.46% and gold (Au) values up to 0.38 g/t. One grab sample from quartz veining returned 71 g/t Au and 15.6 g/t silver (Ag). The high grade gold needs to be confirmed as it may be due to the “nugget effect” during analysis.

Three trenches and one road cut were excavated and sampled south of Tilva Skorusa porphyry for a total of 356m. Results confirmed continuation of copper-gold mineralization with best interceptions of:

- Trench SUCH-004 - 10m @ 0.27 % Cu and 0.93 g/t Au (x.x% CuEq), and
- Trench SUTR-001 - 40m @ 0.1 % Cu and 0.2 g/t Au (x.x% CuEq).

Further exploration work to be conducted is mapping the entire porphyry alteration system to the east, follow up soil and ground magnetic anomalies with mapping and rock chip sampling, in-fill soil sampling, and additional trenching. The additional systematic work is anticipated to generate further drill targets along with the Tilva Skorusa porphyry which has drill ready targets.

- **Zeleznik** license is a 60 sq.km area located 5km north of Majdanpek and 45km northwest of the Bor Mine Complex. The southern end of the property has anomalous Cu-Mo-Au geochemical results related to andesite-diorite porphyry intrusions: (i) the western anomaly is 600m x 450m and is open to the north and south, and (ii) the eastern anomaly is 300m x 300m dipping under a limestone cap to the north. Both anomalous targets have been mapped in detail, covered by trench/channel sampling, ground magnetic geophysics, and drill tested.

Significant intervals of copper and gold values from trench/channel sampling include:

- **West Porphyry Zone:**
 - ZELCH01, 42m @ 0.37% Cu; 0.079 g/t Au; including 20.6m @ 0.44% Cu; 0.13 g/t Au.
 - ZELCH04, 24m @ 0.29% Cu; 0.049 g/t Au.
 - ZELCH08, 24m @ 0.24% Cu; 0.028 g/t Au
 - ZELCH14, 64m @ 0.28% Cu; 0.049 g/t Au; incl. 18m @ 0.31% Cu; 0.062 g/t Au.
- **East Skarn/Epithermal Zone:**
 - ZELCH16, 38m @ 0.34% Cu; 0.55 g/t Au. Incl. 10m @ 0.49% Cu; 1.19 g/t Au, incl. 2m @ 1.7% Cu; 1.86 g/t Au.
 - ZELCH 18, 5m @ 0.65% Cu; 0.77 g/t Au, 3m @ 0.42% Cu; 0.6 g/t Au.
 - Rock Outcrop: 1.09% Cu; 7.57 g/t Au.

Six inclined diamond drill holes totaling 1000m were drilled to test the vertical extent of the previously defined copper-gold surface mineralization at the West Zone and East Zone targets. Three drill holes were drilled at each of the zones in order to test the down dip mineralization to approximately 150m as well as to gain additional information about the geological and structural controls.

The Zeleznik drill program has demonstrated that the previously defined surface mineralization remains open at depth and along strike at both the West Zone and East Zone targets. At the East Zone, drilling returned a number of high grade intersections such as: 2.8m @ 2.98% CuEq in massive sulphides from hole ZELDD05 and bottomed with 4.9m @ 1.40% CuEq in hole ZELDD06. These initial drill results are very encouraging as they confirm the presence of mineralized porphyry and related epithermal systems with higher copper-gold grades.

The West Zone’s long intersections were in porphyry style copper-gold mineralization in all three drill holes. They contained higher grade zones such as 25.8m @ 0.43% CuEq in hole ZELDD01. The results are very promising as they demonstrate the potential for discovery of new near surface copper-gold mineralization with open pit mineable grades.



Summary of significant results from drill holes ZELDD01 to ZELDD06.

Drill Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	CuEq (%)	AuEq (g/t)
ZELDD_01	0.0	230.3	230.3	0.16	0.025	0.17	0.30
<i>Including</i>	29.2	55.0	25.8	0.39	0.076	0.43	0.74
ZELDD_02	0.0	164.7	164.7	0.14	0.017	0.15	0.26
ZELDD_03	0.0	176.0	176.0	0.18	0.029	0.20	0.34
<i>including</i>	2.0	32.0	30.0	0.23	0.037	0.25	0.43
<i>including</i>	161.5	166.7	5.2	0.26	0.045	0.29	0.49
ZELDD_04	12.0	133.1	117.0	0.11	0.17	0.21	0.36
<i>Including</i>	33.0	39.0	6.0	0.48	0.46	0.75	1.28
<i>Including</i>	90.0	91.0	1.0	0.52	1.09	1.16	1.98
<i>Including</i>	100.0	101.0	1.0	0.74	1.22	1.45	2.49
ZELDD_05	24.5	105.7	81.2	0.22	0.23	0.35	0.61
<i>Including</i>	26.6	29.4	2.8	2.1	1.5	2.98	5.10
ZELDD_06	4.0	12.0	8.0	0.11	0.40	0.34	0.59
	77.0	77.6	0.6	0.35	0.63	0.72	1.23
	90.0	142.3	52.3	0.18	0.22	0.31	0.53
<i>Including</i>	115.0	116.0	1.0	0.61	0.67	1.00	1.72
<i>Including</i>	137.4	142.3	4.9	0.82	1.00	1.40	2.41

Gold Equivalent ("AuEq.") is calculated using the formula $AuEq = (g/t/Au) + [(Cu) \times (22.0462) \times (\$/lbCu)] \div [(1/31.1035) \times (\$/ozAu)]$. Copper equivalent (CuEq%) is calculated using the formula $CuEq = (Cu) + [(g/t/AuEq) \times (1/31.1035) \times (\$/ozAu)] \div [(22.0462) \times (\$/lbCu)]$. Metal prices used: gold price of US\$1200/oz, copper price of US\$3/lb. All thicknesses from intersections from drill holes are down-hole drilled thicknesses or outcrop sample length thickness

Future exploration work on the property includes:

- Data analysis and interpretation of drill results.
 - Planning and execution of IP/Resistivity geophysical surveys over the East and/or West zone targets in order to focus future drilling programs.
 - Mapping, prospecting and rock sampling in the central and northern part of the license to define further targets and follow up previously identified stream anomalies.
 - Additional soil sampling and trenching over generated prospective target areas.
- **Savinac** license is a 90 sq.km area that is located 15km southwest of the Bor Mine Complex. The property contains a significant area of strong alteration in an approximately 14 sq.km elongated belt which hosts several epithermal Cu-Au prospects marked by Cu-Mo-Ag-Pb-Zn geochemical anomalies.

During 2014, activity at the Savinac license was focused on the Tilva Rosh prospect completing detailed mapping, trenching and drilling programs.

- Trenching at Savinac continued within previously defined high grade gold zone ([see news release dated September 3, 2013](#)) and the north-east extension of the gold-in-soil anomaly.
- Additional trenching and rock sampling at the high grade zone at Tilva Rosh returned further encouraging results to the east of an already known high grade breccia as: 2m @ 6.43 g/t Au; 2m @ 0.92 g/t Au and 9.6 g/t Ag; 2m @ 0.83 g/t Au and single rock samples of 1.05 g/t Au and 0.52 g/t Au. These results as well as the previously reported results with up to 8.19 g/t Au suggest that the eastern mineralisation is controlled by a parallel structure to the high grade zone, which needs to be drill tested.
- Northeastern gold-in-soil anomaly at Savinac was followed up with 4 trenches totaling 672m that



generated 262 rock samples. Due to a deep soil horizon in this area, bedrock was often not reached and the anomaly could not be effectively tested. However, anomalous gold values were encountered from intervals with reported grades of 2m @ 1.72 g/t Au and 11 g/t Ag. This area merits additional work which will also depend on the first pass drill results at Tilva Rosh.

Six inclined diamond drill holes totaling 918m were drilled at the southern portion of the Tilva Rosh system to test the vertical extent of the gold mineralization, which was previously confirmed with high grade trench results of **12m @ 33.03 g/t AuEq (30.39 g/t Au, 171.27 g/t Ag)** (see [October 21, 2013 press release](#)). The drill holes were designed to test the down dip mineralization to a maximum of 150m down dip.

The Tilva Rosh drilling program has demonstrated continuation of surface mineralisation at depth and along strike of a north-west structure responsible for the high grade gold. The Au-Ag mineralization identified in the in-soil geochemistry anomaly and confirmed in the trenching has now been intersected at a depth of 76m along strike for 100m (50m to the south and 50 m to the north) and remains open in all directions.

Copper mineralisation was intersected at depth in four of the six drill holes (SAV03-SAV06). The initial drill results are encouraging and are interpreted to be proximal to a Cu-Au porphyry system related to a large area of advanced argillic lithocaps to the north, highlighted with a central Mo anomaly rimmed by Cu and followed outwards to zones of Pb-Zn. This is a classic geochemical signature for a porphyry deposit footprint and where the Company believes exist further porphyry drill targets. Highlights of significant intersections are shown below:

Summary of significant results from drill holes SAV_01 to SAV_06.

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Incline
SAV_01 <i>Including</i> <i>Including</i>	11	18	7	7.9	—	50° East
	13	15	2	24.98	—	
	13	14	1	42.9	—	
	126	133	7	0.35	—	
SAV_02	30	40	10	0.34	—	60° East
	67.7	71.8	4.1	0.62	—	
	95.6	100	4.4	0.54	—	
SAV_03 <i>Including</i>	71	76	5	2.54	0.59	60° East
	74	74.7	0.7	10.35	1.47	
SAV_04 <i>Including</i>	42.2	51.3	9.1	1.24	0.33	60° East
	43.3	47.3	3	1.45	0.58	
SAV_05 <i>Including</i> <i>Including</i>	29	50.2	21.2	0.25	—	60° East
	30.4	36	5.6	0.43	—	
	46.2	50.2	4	0.35	0.14	
SAV_06	38.5	42.9	4.4	0.59	0.21	60° East

Further exploration work to be conducted includes detailed mapping of alteration lithocaps to the north, analysis of current drill results and further drilling of generated targets. Also planned are mapping, prospecting and rock sampling at the central and southern parts of the license along with analysis of historical drill data.



- **Borsko Jezero** license totals 46 sq.km and is located in Northeastern Serbia, 2km west of the Bor Cu-Au porphyry/epithermal deposit. On April 15, 2013 the Company announced the completion of the NI 43-101 technical report ([see news release dated April 15, 2013](#)). For 2015 the Company has planned interpretation of geophysical work completed to date and follow up drilling where warranted.
- **Dubrava** license totals 51 sq.km and wrapping around the eastern side of the Bor Mine Complex and the Veliki Kreveli open pit mining operation, in the highly prospective, world-class TMC.

2014 activity at Dubrava included detailed mapping and soil sampling around drill hole BJ04 in order to determine surface relation and structural controls of the hydrothermal breccia intersected at depth. A total of 289 soil samples have been collected and assayed, and 5 sq.km were mapped in detail. A northwest trending structure highlighted by Cu-Au-Mo anomalies was delineated 60m west of drill hole BJ04. The structure is traced for 440m and includes 4 anomalous centers which will be followed up with trenching in 2015.

In 2015 the Company will follow-up soil and rock sampling along with detailed mapping over the license. A geophysical survey is planned in Q1/2015 in order to focus future drilling of the previously intersected hydrothermal breccia.

- **Topla** license is located 4km east of the Bor Mine Complex and totals 64 sq.km with the potential to host a large sediment hosted Au, epithermal Au and Cu-Au porphyry deposit. In 2015 the Company has planned a geophysical survey over the southwestern portion of the license in order to refine drill targets related to the regional Krivej fault known to control Veliki Krivej Cu-Au porphyry orebody and interpreted to continue along strike through the Topla and Dubrava licenses.
- **Bacevica** license totals 148 sq.km and is located directly south of the Savinac license. Planned exploration work for 2015 includes additional detailed mapping, rock and soil sampling, ground magnetic and IP/Resistivity surveys and exploration drilling.
- **Osnic** license is a 74 sq.km located in Northeastern Serbia, 20km south of the Bor Mine Complex. For 2015 the Company has planned interpretation of geochemical sampling completed to date with follow up geophysics and drilling where warranted.

Bulgaria Exploration Program

The Company's mineral exploration licenses in the Republic of Bulgaria ("Bulgaria") are held through its 100%-owned subsidiary Bulgaria Alpha EAD and are: (i) Zvezda, (ii) Byalo and (iii) Chuprene. Zvezda and Byalo licenses are located in the Southeastern Rhodopes region which is a well-known mineral district that has been underexplored for epithermal low sulphidation Au-Ag veins, as well as disseminated, sediment hosted gold and porphyry Cu-Au deposits. Key deposits in this area are Chala, Kumovgrad, and Rozino. The two exploration contract areas are located over the Borovitsa Volcanic Complex which is host to a currently producing gold mine owned by a local Bulgarian company which Mundoro, through a 100%-owned subsidiary, owns less than a 5% equity interest.

In July 2014, the Company acquired the Chuprene exploration license which is located approximately 175km northwest of Sofia and includes numerous copper-gold and gold occurrences and mines, hosted in the Paleozoic Mineral Belt of Bulgaria. Chuprene is an area underexplored by modern exploration methods with the potential for discovery of high sulphidation copper-gold, sediment hosted gold and intrusion related gold-silver deposits.

Summary of Activity

2014 exploration results have delineated a new porphyry copper-gold target at the Ramadanska Chuka ("RC") project area within the southwest corner of the Byalo exploration license, a new epithermal gold target at the Angel Voyvoda ("AV") project area within the Zvezda exploration license, and confirmed anomalous copper-gold grades in quartz veins at the Chuprene exploration license.



- **Zvezda** license totals 161 sq.km and is located in the Southeastern Rhodopean Region of the country. The Zvezda license is designated as brownfields exploration due to its proximity to an adjacent gold mine and historical mining reserves. Historical mining and previous exploration in the area identified lead, zinc, and silver mineralization. The 2014 exploration program continued to compile historical data and analyze initial field work results in order to facilitate target prioritization. Reconnaissance and detailed soil sampling surveys were completed over the northern, central and southern parts of the license in order to follow-up on known mineral occurrences and selected stream sediment anomalies. Exploration work also included detailed mapping, rock sampling, a ground magnetic survey and trenching.

Old reports were reviewed and historical drill information was collected, analyzed and compiled into a digitized data base. A total of 562 historical drill holes were compiled and broken into 6 separate projects which allowed for assessing the data and evaluating and ranking the projects according to priority. This data was integrated with Mundoro's exploration results in order to follow-up generated anomalies.

AV Target Exploration Work Review:

- Exploration work at the AV project aimed to establish the continuity of structures measured and sampled during the prospecting phase by undertaking an oriented (NE-SW general trend) soil grid that collected 406 soil samples on an initial 200m x 50m grid and infilled at 100 x 50m centers, which aimed to intercept mineralized fault breccias with a general west-north-west to east-south-east orientation. Samples returned anomalous gold values (>1 g/t Au).
- Rock chip samples returned anomalous grades from 1.1 g/t Au up to 3.33 g/t Au which indicate that gold mineralisation is limited to quartz fault breccia systems and less commonly banded chalcidonic veins. Assay values recorded in rock chip and soil samples indicated some continuity of Au mineralisation along strike of measured and inferred structures, which generally trend west-north-west and validated the northeast-southwest orientation of the soil grid.
- SpecTerra analysis on all rock chip samples indicated that alteration is associated with clay (predominantly kaolin) – silica (KQ), argillic alteration, which is typically encountered along structures sampled in the field with less common occurrences of alunite also recorded in the AV area.
- A ground magnetic survey was undertaken at AV during 2014 that was designed to identify the continuity of structures that reported elevated gold values (up to 3.33 g/t Au). Interpretation of the results indicated a series of low intensity magnetic highs and lows trending in a northwest direction that encompass the fault with breccias zones. Low intensity but distinct and a large magnetic high is defined above the sediments at the southeastern part of the project which can be correlated at more than 800 m in the NW direction.
- A total of 6 trenches have also been designed to assess the continuity of gold mineralization of west-north-west trending gold anomalies from soil samples. To date, two channels and two trenches have been completed totaling 326 line meters.
- The Company is reviewing the initial results to determine how higher grade mineralization can be identified through further exploration.

Eplika Target Exploration Work Review:

At the Eplika project, mapping and rock chip sampling was undertaken which established the following:

- Gold values of up to 13.6 g/t Au were obtained in an open anomaly that is an east to west trending vein structure.
- Previous historic drilling appears to have not taken into account the vein structures may dip to the north with most historic drill holes interpreted to have drilled below (sub parallel) the mineralized vein system/structure.
- The eastern margin of the anomaly appears to be discontinuous due to a fault system that may offset the structure to the south.

Intrusion Target Exploration Work Review:

At the Intrusion Project a desktop review of all compiled historic diamond drill hole (DDH) data was undertaken to



assess the potential for base metal mineralisation, specifically focusing on copper mineralization. A summary of significant intervals of copper mineralisation (including other base metal elements) are presented in Table 1 below that lists intercepts of copper mineralisation greater than 0.74% Cu. One sample from the Intrusion Project returned 1.98 % Cu.

Table 1 – Summary of historic drill data reporting Copper values greater than 0.74%

HoleID	SampleID	From m	To m	Sample Interval m	Pb %	Zn %	Cu %
711	Int1087	197.6	199.2	1.6	1.32	0.55	0.74
711	Int1094	293.2	294.9	1.7	0.56	5.69	1.18
714	Int1144	362.6	363.3	0.7	0.59	1.93	1.74
750	Int1405	201.2	202.4	1.2	1.95	2.18	1.53
786	Int1811	416.1	418.4	2.3	6.59	4.57	3.2
829	Int1825	249.5	250.8	1.3	3.26	0.75	2.52
832	Int1910	222.1	222.9	0.8	0.75	16.01	6.3
833	Int1923	344.0	344.8	0.8	1.21	0.64	1.18
271	Int201	316.2	317.9	1.7	7.49	31.91	2.42
271	Int202	317.9	319.7	1.8	6.8	34.58	1.81
587	Int696	152.4	153.5	1.1	2.46	4.78	5.52
632	Int894	176.7	179.4	2.7	7.67	4.9	1.36
634	Int940	85.5	86.8	1.3	7.51	0.99	1.36

Other Target Areas

For other project areas within the Zvezda exploration license the Company continued with a review and analysis of the compiled historic data and drill information in order to assess project areas for gold and base metal mineralisation. A structure mapping database was developed to capture all field measurements. This has also allowed field geologists to develop structural models to assist in the development of the exploration programs.

Future Work for Zvezda

Planned work at the Zvezda license includes continuation of trenching over AV and Eplika gold projects, further historical data assessment, and mapping in order to generate further targets, geophysical surveys and drilling the identified targets.

- **Byalo** license is a 191 sq.km area directly adjacent and to the north of the Zvezda license area. During 2014, the Company completed a systematic exploration program comprised of stream sediment sampling, rock grab sampling, mapping, soil geochemistry, ground magnetic and IP geophysics, and trenching.

RC Target Exploration Work Review

- The infill soil sampling program at the RC project area has delineated a new porphyry copper-gold-molybdenum system approximately 650m x 600m in size which is related to a larger advanced argillic alteration lithocap.
- Rock sampling results at RC returned anomalous copper-gold-molybdenum up to 0.39% copper, 0.55 g/t gold and 587 ppm molybdenum related to quartz stockwork veining and hydrothermal breccia.
- Soil geochemical sampling results identified a well-defined molybdenum anomaly that haloes a copper-gold central core anomaly and is rimmed by Bismuth, Tellurium, Lead, and Zinc.
- The Company carried out a ground magnetic survey over the RC hydrothermal system approximately 5 sq.km in size (2.3 x 2.2 km). The survey identified several anomalies including a well-defined magnetic bull's-eye anomaly that overlaps with the porphyry related copper-gold-molybdenum soil and rock anomalies ([see press release September 16, 2014](#)). Following the magnetic survey an Induced Polarization/Resistivity survey was carried out over the RC porphyry target which included four lines totaling 10 line kms designed to penetrate to 500m in depth. The IP/Resistivity survey identified a chargeability anomaly above the magnetic high anomaly within the vicinity of the stockwork zone open to north and south.
- Coincident IP high/intermediate resistivity /magnetic susceptibility high are observed in the vicinity of the stockwork zone and the Cu, Au and Mo soil anomalies at RC. The anomaly combination is interpreted as a geophysical signature of a possible porphyry target at depth.



- Trenching in the vicinity of copper-gold soil anomalies and rock chip samples was undertaken along pre-existing trenches (from prior explorers). Trenching at RC across phyllic-argillic altered rocks intersected zones of quartz stockwork veining that is being associated with a buried porphyry structure. Trenching at RC was undertaken along two trenches totaling 187m and generated 77 samples. Results confirm the presence and continuation of the copper-gold-molybdenum mineralisation with the best intervals of mineralisation:
 - RCTR01 69m @ 0.208 g/t Au; 175 ppm Cu; 55 ppm Mo
 - RCTR02 61m @ 0.205 g/t Au; 310 ppm Cu; 35 ppm MoAlthough there is surface presence of Cu oxides, in the trenches the Cu results are low which contributed to surface leaching due to high pyrite content generating acid.

Other Target Areas

Exploration activities at the Byalo license also included regional soil sampling across a 400m x 400m grid over an area 8km x 8km (64 sq.km) north and east of the RC project which was highlighted as anomalous and prospective by the Company's stream sediment screening program. Results indicate potential for copper mineralisation (soil results up to 400ppm Cu) to the north and east of the Chala gold mine.

Future Work for Byalo

Planned work at the Byalo license will focus on planning and executing drill testing of the RC porphyry target, follow up and in-fill of the generated soil anomalies north-east of RC, geophysics surveys, and trenching.

- **Chuprene** license is a 199 sq.km area located in northwestern Bulgaria close to the border with Serbia. The Chuprene exploration contract was signed with the Ministry of Mining, Economy and Tourism on June 20, 2014. Over the remainder of 2014 the Company carried out reconnaissance field work and assessment of the available historical data. Initial field work included surveying, mapping, soil and rock channel sampling of the known Chuprene copper-gold occurrence which has been exploited since ancient times. Several mineralised quartz vein zones occupying an area 4000m x 700m have been followed up by initial prospecting in the field. The vein zones are hosted by a northwest-southeast trending regional thrust fault system mapped in the northern part of the license for 25km.

Exploration work primarily focused on mapping and channel sampling of adits and road cut exposures at the Chuprene Cu-Au and Severinovets Au projects. Initial interpretations of the style of mineralisation at Chuprene indicate an ore-shoot style of mineralisation that is structurally controlled by dilation across orthogonal fault structures. Structural analysis of mapping data from the Chuprene Project indicates a principal east-west orientation for mineralised (copper and gold) vein structures. A summary of anomalous assay results from rock chip samples collected during the 2014 field programme indicates that the Chuprene Project has further potential for copper and gold mineralisation.

Initial reconnaissance soil sampling was undertaken at the Chuprene and Severinovetz projects with 155 and 55 samples collected respectively from north to south oriented grids. Chuprene results returned a Cu-Au anomalous area approximately 1000 x 400m trending northwest-southeast. The copper anomaly is open to east and north. Additional sampling is required at Severinovetz.

Mexico Exploration Program

Many of the outcropping vein type deposits in Mexico have been explored for decades and in some cases for centuries, but deeper targets under cover and peripheral to outcropping vein deposits are now considered highly prospective targets. These styles of mineralisation have generally been under explored in Mexico. The areas which Mundoro has staked are being explored by the Company for porphyry Au-Cu deposits, "Penasquito Type" breccia pipe, carbonate replacement and manto type deposits, intrusion-related disseminated sulphide deposits, polymetallic (Au-Ag-Pb-Zn) intermediate sulphidation epithermal deposits and low sulphidation type epithermal deposits.

The Company's mineral concessions, totaling 805 sq.km, are located on the Mesa Central Belt, Northwestern Mexico in



the States of Durango and Chihuahua. The mineral exploration concessions are held through the Company's 100%-owned subsidiary Mundoro de Mexico S.A. de C.V., and are: (i-iii) Cuencame (collectively 3 concession areas), (iv) Camargo, (v) Hidalgo 3, (vi) Hidalgo 4, (vii) Mapimi, (viii) Mapimi Fraccion 1, and (ix) Rodeo. On September 30, 2011, Mundoro completed a National Instrument 43-101 ("NI 43-101") compliant technical report on the Cuencame Property (the "Cuencame Technical Report")

Summary of activity

During 2014, after completion of geochemical surveys and further assessment of existing rock stream sediment samples on the properties, the Company submitted applications with the Mexican General Bureau of Mines ("GBM") to drop Cuencame, Cuencame 2, Jimenez, Hidalgo 4, Hidalgo 5, and Mapimi concessions. To date the GBM has granted the applications to drop Hidalgo 5 and Jimenez. It also granted the Company's application to drop Cuencame 1, which had been submitted to be dropped in 2013. Subsequent to December 31, 2014 the Company filed applications to drop Cuencame 4, Hidalgo 3, Mapimi Fraccion 1, and Rodeo. The Company opted on August 18, 2014 to exercise its right to termination of the option agreement for the Centauro Property due to current market conditions. Work in Mexico focused on maintaining the remaining Camargo concession in good standing and preparing the property for joint ventures or another form of transaction. The Company compiled a database of the geological information which is being used for joint venture discussions.



4. RESULTS OF OPERATIONS

For the year ended December 31, 2014, the Company recorded a net loss of \$3,550,132 (\$0.08 per share) compared to a net loss of \$4,568,387 (\$0.11 per share) for the twelve months ended December 31, 2013.

The Company ended the year with \$7,572,233 in cash, cash equivalents and short term investments, and has no debt.

Summary of Quarterly Results

CAD\$000's,	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13
From operations:								
Interest Income	\$ 28	\$ 38	\$ 39	\$ 38	\$ 43	\$ 47	\$ 52	\$ 54
Exploration and project evaluation	(678)	(695)	(544)	(607)	(655)	(1,038)	(659)	(874)
Corporate expenses ⁽¹⁾	(233)	(219)	(225)	(184)	(365)	(362)	(246)	(312)
Loss before other (expenses) income	(883)	(876)	(730)	(753)	(977)	(1,353)	(853)	(1,132)
Other income (expense) ⁽²⁾	(90)	(114)	(60)	(44)	(48)	(76)	(51)	(78)
Income (loss) for the period	(973)	(991)	(789)	(797)	(1,025)	(1,429)	(904)	(1,210)
Income (loss) per share:								
Basic	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.03)	\$ (0.02)	\$ (0.03)
Diluted	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)	(0.02)	(0.03)

- (1) Corporate Expenses include accounting and audit, corporate governance, corporate communication, and general and administrative expenses.
- (2) Other income (expense) includes share-based compensation, and foreign exchange loss (gain).

Result of Operations

	For the year ended		
	December 31,	December 31,	December 31,
	2014	2013	2012
From operations:			
Interest income	143,447	195,953	221,588
Exploration and project evaluation	2,524,028	3,226,231	2,808,573
Corporate expenses ⁽¹⁾	860,740	1,284,788	1,104,574
Loss before other expenses (income)	3,241,321	4,315,066	3,691,559
Dissident related costs	-	-	1,186,861
Other (income) expense ⁽²⁾	308,811	253,321	229,057
Loss for the period	(3,550,132)	(4,568,387)	(5,107,477)
Basic and diluted loss per share	\$ (0.08)	\$ (0.11)	\$ (0.13)
	As at	As at	As at
	December 31,	December 31,	December 31,
	2014	2013	2012
Total Assets	9,236,126	12,671,634	16,965,544
Total Long Term Liabilities	Nil	Nil	Nil
Cash Dividends per Share	Nil	Nil	Nil



- (1) Corporate Expenses include accounting and audit, corporate governance, corporate communication, and general and administrative expenses.
- (2) Other income (expense) includes share-based compensation, and foreign exchange loss (gain).

Review of Operations

Fluctuations in explorations and project evaluation costs as well as in corporate related expenditures are discussed below. The principal factors that cause fluctuations in the Company's results related to non-cash items include: (i) the timing of stock option grants; (ii) foreign exchange gains or losses; and (iii) the write-down of mineral properties.

Review of Operations for the Quarter Ended December 31, 2014 Compared to the Quarter Ended September 30, 2014

For the quarter ended December 31, 2014, the Company recorded a loss of \$972,931 (\$0.02 per share), compared to a net loss of \$990,529 (\$0.02 per share) for the quarter ended September 30, 2014. The decrease in net loss in the quarter was principally attributable to the following:

Exploration and Project Evaluation Costs

During the three months ended December 31, 2014, exploration and project evaluation costs were \$677,919 (September 30, 2014 - \$694,794). The decrease in exploration expenditures was primarily attributable to a reduction in land holding costs in Mexico which was partially offset by more exploration costs in Serbia as the Company completed its drilling project in Serbia during the quarter ended December 31, 2014.

Corporate Expenses

During the three months ended December 31, 2014, corporate expenses were \$233,165 (September 30, 2014 - \$218,821). The small increase in corporate expenses in the fourth quarter was the result of lower corporate governance costs which were offset by higher accounting costs attributable to annual audit fees incurred in the fourth quarter.

Review of Operations for the Quarter Ended December 31, 2014 Compared to the Quarter Ended December 31, 2013

For the quarter ended December 31, 2014, the Company recorded a loss of \$972,931 (\$0.02 per share), compared to a net loss of \$1,025,445 (\$0.03 per share) for the quarter ended December 31, 2013. The decrease in net loss in the quarter ended December 31, 2014 was principally attributable to a reduction in corporate costs which was partially offset by an increase in exploration and project evaluation costs, and non-cash items (write-down of mineral properties).

Exploration and Project Evaluation Costs

During the three months ended December 31, 2014, exploration and project evaluation costs were \$677,919 (December 31, 2013 - \$654,389). The slight increase in exploration expenditures was primarily attributable to an increase in exploration activity and related field personnel in Southeastern Europe.

Corporate Expenses

During the three months ended December 31, 2014, corporate expenses were \$233,165 (December 31, 2014 - \$365,596). The 36% decrease in corporate expenses in Q4 2014 is attributable to reductions in all areas of corporate expenditures as the Company focused on reducing costs.

Review of Operations for the Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

For the year December 31, 2014, the Company recorded a loss of \$3,550,132 (\$0.08 per share), compared to a net loss of \$4,568,387 (\$0.11 per share) for the year ended December 31, 2013. The decrease in net loss in the year was principally attributable to the following:

Exploration and Project Evaluation Costs

During the twelve months ended December 31, 2014, exploration and project evaluation costs were \$2,524,028 (December 31, 2013 - \$3,226,231). Decreased exploration activity in Mexico, where the Company continued the care



and maintenance program to keep existing mineral concessions in good standing while reducing non-strategic land holdings, resulted in significant reductions in exploration costs in 2014. In Southeastern Europe, the Company increased exploration work in Bulgaria which was offset by lower exploration costs in Serbia.

Corporate Expenses

During the year ended December 31, 2014, corporate expenses were \$860,740 (December 31, 2013 – \$1,284,788). The 33% decrease in 2014 from 2013 was due to a reduction in all corporate costs with significant reductions related to corporate governance and corporate communications.

Liquidity and Capital Resources

The Company’s principal source of liquidity as at December 31, 2014 was cash and cash equivalents totaling \$86,474 (December 31, 2013 – \$177,647) and short-term investments of \$7,485,759 (December 31, 2013 - \$10,874,695).

The Company expects its current capital resources will be sufficient to carry its activities through the fiscal 2015 operating period. When required, the Company will explore appropriate financing routes which may include any one of, or combination of: issuance of share capital; funding through joint ventures or strategic partnership; project debt; convertible securities; or other financial instruments.

With the exception of interest earned on investments, the Company does not have revenue and relies upon current cash resources to fund its ongoing business and exploration activities.

5. SHARE CAPITAL

As of December 31, 2014, the Company had one class of common shares issued and 43,786,776 shares outstanding. At the date of this MD&A, the Company has 43,786,776 common shares outstanding and 2,822,500 stock options granted at prices ranging from \$0.28 to \$0.82.

6. RELATED PARTY TRANSACTIONS

Under IAS 24 “Related Party Disclosures”, related parties include members of the key management personnel of the reporting entity and related party transactions encompasses compensation including short-term employee benefits such as wages, salaries, social security contributions and share-based payments.

Key management personnel include members of the Board of Directors and executive officers of the Company. The Company’s directors receive compensation for meeting attendance and services provided to the committees on which they sit. Executive officers, directors, employees and consultants of the Company also participate in the Company’s share option program.

During the year ended December 31, 2014 the Company incurred the following expenses related to key management personnel:

	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

7. OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements for the Company.



8. USE OF FINANCIAL INSTRUMENTS

The Company is not in a situation where it needs to enter into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. The principal financial instruments affecting the Company's financial condition and results of operations are currently its cash and cash equivalents. The Company is exposed to insignificant interest rate risk with respect to its cash, cash equivalents and accounts receivable given the extremely low market interest rates. The majority of the Company's cash has been placed with a Canadian Chartered Bank. The majority of the Company's cash equivalents 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. Other accounts receivable represent amounts owing from government agencies. The Company does not hold any asset-backed commercial paper.

9. CHANGES IN ACCOUNTING POLICIES

Adoption of New Accounting Standards

The following material standards and amendments to existing standards have 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.

Future Accounting Pronouncements

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.

10. DISCLOSURE CONTROLS AND PROCEDURES UPDATE



Disclosure controls and procedures have been designed to ensure that information required to be disclosed by Mundoro is accumulated and communicated to management, as appropriate, to allow for timely decisions regarding required disclosure. The Company has concluded, based on its evaluation as of the end of the year that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Mundoro, including the consolidated subsidiaries, is made known to them by others within both entities. It should be noted that while the Company believes that the disclosure controls and procedures provide a reasonable level of assurance and that they are effective, it does not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

11. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the CEO and CFO in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis disclosure controls and procedures as well as internal controls over financial reporting 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.

Although potential weaknesses exist in the Company's internal controls, due to the lack of segregation of incompatible duties, management and the board of directors work to mitigate the risk of a material misstatement in financial reporting. However, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement occurring.

12. RISKS AND UNCERTAINTIES

The Company is a mineral acquisition, exploration, development and investment company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. An investment in the securities of the Company is speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from estimates described in forward-looking statements made by the Company. Prospective investors should carefully consider these risk factors as it is not always possible to fully insure against some or any of the risk factors. Risks to be considered include but are not limited to:

Global Financial Condition

Financial conditions globally continue to experience significant volatility following the U.S. led financial crisis in 2008, which impacted numerous financial institutions globally, and more recently the escalating financial turmoil in Europe. Each has created considerable uncertainty as a result of excessive government debt levels and the unprecedented steps being taken to avert a full blown global crisis. These factors may impact the ability of the Company to issue debt and equity in the future and to issue it on terms that are reasonable to the Company. Although there have been certain signs of economic recovery, these increased levels of volatility and market turmoil may continue and, as a result, the Company's business, financial condition, results of operations and share price could be adversely impacted.

Environmental Laws and Regulations

The Company's operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. Mundoro minimizes these risks by complying with all applicable and international



environmental, health and safety standards and regulations. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. In addition, certain types of operations require the submission of environmental impact statements and approval by government authorities. Environmental legislation is evolving towards stricter standards, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Any future changes to these laws could adversely affect our financial condition, liquidity or results of operations. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation.

Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. The Company's business may be affected by amendments or changes to environmental laws, regulations and requirements in the host country. At any time, a number of draft environmental laws may be proposed. It is not possible to predict when or if a draft environmental bill will be enacted into law or what the final provisions of such law will be, if enacted. It is possible that the host country government will issue further decrees or otherwise attempt to modify existing environmental rights or other laws affecting the Company, its properties and its ability to operate in the host country. Any changes to host country environmental law may adversely affect the Company's ability to develop and operate its properties in the host country. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect Mundoro's operations.

Permits and Licensing

Exploration, development and operation of a mineral property are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labour standards, reclamation obligations, heritage and historic matters and other matters. The Company is required to have a wide variety of permits from government and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. The owners and operators of the properties in which Mundoro holds an interest require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such licenses and permits could have a material adverse impact on the costs Mundoro incurs. Such licenses and permits are subject to change in various circumstances and are required to be kept in good standing through a variety of means, including cash payments and satisfaction of conditions of issue. There can be no guarantee that Mundoro or the operators of those properties in which Mundoro holds an interest, will be able to obtain on a timely basis or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining operations that economically justify the cost. Any failure to comply with applicable laws and regulations, permits and licenses, or to maintain permits and licenses in good standing, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or fines, penalties or other liabilities accruing to the owner or operator of the project. Any such occurrence could cause the termination of operations on the property, and thereby have a material and adverse effect on Mundoro's results of operation and financial condition.

Any failure to comply with applicable laws and regulations or to obtain or maintain permits, even if inadvertent, could result in the interruption of mining, exploration and developmental operations or in material fines, penalties or other liabilities.

Exploration & Development



Exploration is highly speculative in nature and exploration projects involve many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish mineral reserves and to permit and construct mining and processing facilities. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit.

It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by a number of factors. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. They typically require a number of years and significant expenditures during the development phase before production is possible. The economic feasibility of development projects is based on many factors such as: estimation of reserves; anticipated metallurgical recoveries; environmental considerations and permitting; future gold prices; and anticipated capital and operating costs.

Future development and operations in foreign countries may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted.

Competition

The mining industry is competitive with many companies competing for the limited number of mineral resource acquisition and exploration opportunities. The Company faces competition from other mining companies in connection with the acquisition of properties. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. With metal prices at their current levels, activity in the industry has increased dramatically. Many companies are engaged in the search for and the acquisition of mineral interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Mundoro may be at a competitive disadvantage in acquiring interests, whether by way of investment or otherwise, as many competitors have greater financial resources and technical staff. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain attractive mineral properties or operations on economically acceptable terms. Consequently, the Company's business, results of operations and financial condition could be materially adversely affected.

Hiring of Key Personnel

The success of Mundoro will be largely dependent on the performance of its management team. The loss of the services of these persons would have a materially adverse effect on Mundoro's business and prospects. There is no assurance Mundoro can retain the services of its officers or other qualified personnel required to operate its business. Mundoro's success depends on attracting and retaining qualified personnel in a competitive labour environment. The Company's operations are based in Mexico, Serbia and Bulgaria and finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult.



Commodities

Mundoro's revenues, if any, are expected to be in large part derived from the sale of natural resource assets. The price of natural resource assets fluctuates widely and is affected by factors beyond the control of including, but not limited to, international economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of precious metals due to new mine developments, mine closures as well as advances in various production and use technologies of precious metals. All of these factors will have impacts on the viability of Mundoro's exploration projects that are impossible to predict.

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The Company reports in Canadian dollars while the majority of operating and capital expenditures are denominated in the Mexican peso, Canadian dollar, U.S. dollar, Serbian dinar and the Bulgarian lev, which is pegged to the Euro. Fluctuations in exchange rates between the U.S. dollar and the Euro, the Canadian dollar and the Serbian dinar and Bulgarian lev, the Canadian dollar and the U.S. dollar, and the Canadian dollar and the Mexican Peso give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's results of operations and financial condition. The Company does not anticipate entering into hedging or derivative arrangements to manage its foreign exchange risk.

Financing

Mundoro has finite financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that Mundoro will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities and may result in a material adverse effect on Mundoro's profitability, results of operation and financial condition.

Price Volatility

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the common shares will be subject to market trends generally, notwithstanding any potential success of Mundoro in creating revenues, cash flows or earnings. The value of Mundoro's common shares will be affected by such volatility.

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the common shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a depressive effect on the price of the common shares.

Investments

The Company intends to participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single investment. In addition, as the Company's investments are expected to be concentrated in the resource sector, the Company's performance will be disproportionately subject to adverse developments in the resource sector.



Conflicts of Interest

Certain of the directors of Mundoro also serve as directors or officers, or have significant shareholdings in, other companies involved in mineral property investments and, to the extent that such other companies may participate in ventures which Mundoro may participate in, a conflict may arise. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable laws.

Insured and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in operations, monetary losses and possible legal liability. In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made. Losses arising from any such events that are not fully insured may cause the Company to incur significant costs that could have a material adverse effect on its business, financial condition and results of operations.

Mineral Resources and Reserves Estimates

The mineral reserves and resources identified on properties are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties constitute or will be converted into reserves. Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralisation uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the operators to reduce their reserves and resources, which may result in a material and adverse effect on Mundoro's results of operation and financial condition.

Title to Properties

A defect in the chain of title to any of the underlying properties in which Mundoro may have an interest may arise to defeat the claim of the operator to a property. To the extent an owner or operator is not entitled to title on the



property, it may be required to cease operations or transfer operational control to another party. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in which Mundoro has an interest and may result in a material and adverse effect on Mundoro's results of operation and financial condition.

Foreign Operations

The Company's operations consist of the acquisition, exploration, development and investment in mineral resource properties. The majority of the Company's operations and business are outside of Canada, and as such, the Company's operations are exposed to various political and other risks and uncertainties. The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among Mundoro and such entities could restrict or impact the Company's ability to fund its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's business, financial condition and results of operations.

Foreign Country Political Environment

Mundoro operates in foreign countries and the Company's operations in these foreign jurisdictions may be subject to geopolitical, economic and other risks, as evidenced in Eastern Europe and Mexico, that may affect the Company's future operations and financial position. There is sovereign risk in investing in foreign countries, including the risk that the resource concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or changes in their enforcement or regulatory interpretation could result in adverse changes to mineral operations. These are matters over which Mundoro has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability to undertake exploration and development on the properties on which Mundoro holds royalty or other interests. In certain areas in which Mundoro has an interest, the regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of Mundoro and such changes may result in a material and adverse effect on Mundoro's results of operation and financial condition. Investors should assess the political risks of investing in a foreign country. Any variation from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the government of the foreign country or by its court system.

Security and Safety

The Company has projects located in the States of Durango and Chihuahua, Mexico. Although the Company has curtailed exploration activity in Mexico, we still maintain the existing concessions. Criminal activities in the region or the perception that such activities are likely, may disrupt the Company's exploration programs, hamper the Company's ability to hire and keep qualified personnel, and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks relating to the safety of personnel and assets. Such risks may include, but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets. These risks may result in serious adverse consequences including personal injuries, kidnappings or death, property damage or theft, limiting or disrupting exploration programs, restricting the movement of funds, impairing contractual rights, or causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial condition and make it more difficult for the Company to obtain required financing. Although the Company has developed precautions regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company's property effectively.



Litigation

All industries, including mining, are subject to legal claims that can be with and without merit. Defense and settlement costs can be substantial, even for claims that have no merit. Potential litigation may arise with respect to a property in which Mundoro is in the process of evaluating as a strategic investment and/or holds an interest directly or indirectly in an exploring, developing and/or operating mineral property now or in the future (for example, litigation between joint venture partners or original property owners). Mundoro might not generally have any influence on the litigation nor will it necessarily have access to data. To the extent that litigation results in the cessation or reduction of production from a property (whether temporary or permanent), it could have a material and adverse effect on Mundoro's results of operations and financial condition. The litigation process is inherently uncertain, so there can be no assurance that the resolution of a legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and Mundoro may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have an adverse effect on the Company's business, financial condition and results of operations.

Maoling Gold Project

Mundoro owns 5% of the issued and outstanding shares of Mundoro Mining which has rights to a 79% interest in Tianli for the Maoling Gold Project located in Liaoning Province, China. Due to its 5% holdings, the Company's ability to effect change is limited.

China's economy differs from the economies of most developed countries in many respects, including government intervention; foreign investment; domestic sales of commodities; level of development; growth rate; control of foreign exchange; allocation of resources; and legal recourse. Some of these measures benefit the overall economy of China, but may have a negative effect on Mundoro Mining. Regardless of the economic viability of the Maoling Gold Project, factors such as political instability, terrorism, expropriation by governments or the imposition of new regulations or tax laws may prevent or restrict mining or exploration of the Maoling Gold Project.

The activities of foreign-invested mining companies in China are subject to extensive laws and regulations at the national, provincial and local level, including the Mineral Resources Law of China and regulations thereunder; laws and regulations governing foreign investment enterprises in China; and various rules and policies of the Ministry of Land and Resources. Operations of foreign-invested mining companies may be affected by such government regulations and restrictions on production as import and export controls, taxes, maintenance of claims, environmental legislation, land use, water use and safety regulations. The effect of these factors cannot be accurately predicted.

Foreign-invested mining companies are required to work within a framework which is different to that imposed on local companies. Current Chinese regulations permit foreign investment in some mineral sectors but not all. If the Chinese government should impose greater restrictions on foreign investment and on the operations of foreign-invested mining companies, Mundoro Mining's business and future earnings could be negatively affected. Mechanisms are in place to allow for repatriation of profits and capital from certain foreign-invested mining companies, however there is no certainty that some or all future local currency or capital can be repatriated.

Foreign exchange transactions under Mundoro Mining's capital account, including principal payments in respect of foreign currency-denominated obligations, continue to be subject to significant foreign exchange controls and require



the approval of the State Administration of Foreign Exchange. These limitations could affect Mundoro Mining's ability to obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures. Any appreciation of the Chinese Yuan ("RMB") may adversely affect Mundoro Mining's earnings, through higher foreign currency denominated operating costs.

The Chinese legal system is a system based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. Because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. In addition, as the Chinese legal system develops, changes in such laws and regulations, their interpretation or their enforcement may have a material adverse effect on Mundoro Mining's business operations since the Maoling Gold Project is located in China and, consequently, if a dispute were to arise between Mundoro Mining and its joint venture partners or any third party Mundoro Mining would be obliged to depend on the courts of China for adjudication.

The legal rights of Mundoro Mining to participate in the joint venture are predicated on Mundoro Mining being able to enforce its rights under the Joint Venture Contract governed by the laws of the People's Republic of China ("PRC"). Should it become necessary for Mundoro Mining to seek to enforce its legal rights under the Joint Venture Contract, it would need to do so in accordance with the laws of at least the PRC and perhaps other jurisdictions. There can be no assurance that should it become necessary for Mundoro Mining to take such legal action, it will be possible to obtain the legal remedies that are being sought.

13. QUALIFIED PERSONS & INFORMATION CONCERNING ESTIMATES OF RESOURCES

On September 30, 2011, Mundoro announced the completion of the National Instrument 43-101 ("NI 43-101") compliant technical report on the Company's 100%-owned Cuencame Property (the "Cuencame Technical Report"), which covers approximately 45,215 hectares (452 sq.km) in three mineral licenses. The Cuencame Technical Report was independently compiled and submitted by Geologica Groupe-Conseil Inc. ("Geologica") of Val-d'Or, Quebec, Canada. The report was prepared under the direction and oversight of Messrs. Alain-Jean Beauregard, P. Geol., and Daniel Gaudreault, ing., Geol., each of them a Qualified Person as defined by NI 43-101. The Cuencame licenses are located in the Cuencame District in the States of Durango and Coahuila, Mexico.

On April 15, 2013, Mundoro announced the completion of the NI 43-101 compliant technical report on the Company's 100%-owned Borsko Jezero Property in Bor, Serbia (the "Borsko Jezero Technical Report"). The Borsko Jezero Property is located in Northeastern Serbia and covers (46 sq.km). The Borsko Jezero Technical Report was prepared by D. Power-Fardy, P. Geo., EurGeol and Senior Geologist with Watts, Griffis and McOuat Limited, Consulting Geologists and Engineers of Toronto, Canada, and G. Magaranov, P. Geo., EurGeol and Senior Exploration Manager, SE Europe for Mundoro, both of whom are a Qualified Person as defined by NI 43-101.

This management discussion and analysis of financial results uses the terms "measured resources", 'indicated resources' and 'inferred resources'. The Company advises investors that although these terms are recognized and required by Canadian regulations (under NI 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, 'inferred resources' have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Assessments as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable. Mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.