



MUNDORO

MANAGEMENT DISCUSSION AND ANALYSIS

For The Three Months Ended March 31, 2015
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 three months ended March 31, 2015, 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 May 26, 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 \$7,008,039 in cash, cash equivalents and short term investments, and has no debt as at March 31, 2015.

Mundoro is a Canadian based public company which is focused on generating value for its shareholders through utilizing the collective expertise of our directors, management and technical staff to investment in mineral projects that have the ability to generate future cash.

Future cash from a mineral property can be in various forms such as royalties, an interest in commercial production, dividend payments or sale of interest in the mineral property. These are the key exit criteria we seek for any project in to which Mundoro invests.

In Serbia, Mundoro methodically staked a district-scale land position in the prolific Timok Mining Camp which hosts significant Gold-Copper deposits. Mundoro has generated drill targets and is actively pursuing joint venture opportunities for this package.

In Bulgaria, Mundoro proactively staked a land position in an under explored region of the Rhodopes known for precious metal deposits. Mundoro has generated drill targets and is actively pursuing joint venture opportunities for this ground.

Our strong project pipeline in Serbia and Bulgaria, as well as our mineral interests in China and Mexico, are positioned to drive long-term growth to achieve shareholder return.

Serbia Exploration Program

The Company's mineral exploration license areas in the Republic of Serbia ("Serbia") total 640 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 Krivelj, 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 for Q1 2015:

- **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 Q1 2015 the Company completed a CSAMT geophysical survey over the southwestern part of the license in order to assess the area and eventually generate drill targets related to the regional Krivelj fault known to control the Veliki Krivelj Cu-Au porphyry orebody which has been interpreted to continue along strike through both the Topla and Dubrava licenses. The survey was conducted simultaneously over both Topla and Dubrava licenses with a total of 37.4 line km measured and surveyed at both licenses, of which 17.4 line km and 182 stations were within the Topla license. The final report with model sections and plan-slices up to 1000m depth is expected in May 2015 for further analysis and planning of drill hole targets if deemed prospective.



- **Dubrava** license totals 51 sq.km and wraps around the eastern side of the Bor Mine Complex and the Veliki Krivelj open pit mining operation, in the highly prospective, world-class TMC. Q1 2015 exploration activity consisted of a CSAMT geophysical survey over the southern portion of the license in order to explore the hydrothermal breccia intersected in drillhole BJ04 from the 2014 drilling program and continued along strike of regional structures controlling the Bor and Krivelj Cu-Au epithermal and porphyry orebodies. A total of 20 line km with 224 stations were surveyed at the southern portion of the Dubrava license. The final report with model sections and plan-slices up to 1000m depth is expected in May 2015 for further analysis and planning of drill hole targets if deemed prospective.
- **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 porphyry intrusions. The western anomaly is 600m x 450m and is open to the north and south, while the eastern anomaly is 300m x 300m dipping under a limestone cap to the north. At the end of first 3 year exploration period Serbian Mining Code permits the holder to submit an application for a two year exploration extension. The Mining Code also allows the permit holder to apply for a further 2 exploration extensions after that (2+1) for a total potential exploration period of 8 years. With positive results from the first three years of exploration work the Company submitted an application in Q1 2015 to the relevant Serbian ministry to renew the exploration license for an additional 2 year period. A positive decision for the extension of the Zeleznik license is expected in Q2 2015.

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.

The 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 5% equity interest ([see news release dated June 10, 2013](#)).

The Chuprene exploration license 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 for Q1 2015:

Bulgarian exploration activity during Q1 2015 focused on the Zvezda and Byalo licenses.

- **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. The 2014 exploration program compiled historical data and analyzed initial field work results in order to facilitate target prioritization. Our field programs have consisted of reconnaissance and detailed soil sampling surveys over the northern, central and southern parts of the license in order to follow-up on known mineral occurrences as well as our stream sediment anomalies. Exploration work also included detailed mapping, rock sampling, a ground magnetic survey and trenching.

During Q1 2015 the Company continued with the review of the historical data and analysis of the 2014 exploration results. Additional historical geophysics results and data have been compiled and are currently being digitized.



Saje Mine: Historical mining and previous exploration in the area identified lead, zinc, and silver mineralization. Desk top analysis of the historical data from the Saje Mine was carried out in order to compile the available information into one database from which to identify further potential of the ore bodies. The mine is located in the northwest area of Zvezda and was in exploitation from 1984 to 1992. A total of 425.5 ktons of ore have been extracted. The ore minerals are concentrated mainly in quartz veins, which are usually brecciated – pieces of the sulphide ores (galena, sphalerite, and chalcopryrite) hydrothermally altered rocks are cemented by quartz. The main mineral content of the ore is comprised of lead, zinc, copper and silver with the following grades:

- o Lead – from 0.01 to 32.1%, average – 2.17%;
- o Zinc – from 0 to 22.6%, average – 0.94%;
- o Copper – from 0 to 16.62%, average – 0.21%;
- o Silver – from 0 to 68ppm, average – 7.14ppm;

There are historical, non-43-101 compliant reserves of 3.9 Mt grading at 1.83% Pb, 0.7% Zn, 0.16% Cu. The ore bodies are open at depth, to the southwest and along strike.

Eplika - Previous exploration at the Eplika project area confirmed historical high grade Au results. Detailed mapping and systematic sampling began at the end of Q1 2015 and has continued into Q2 2015. The first 18 channel samples have been sent for analysis. Results are pending.

Angel Voyvoda (“AV”) - At the AV project area, two channels and two trenches were completed in 2014 totaling 326 line meters. Initial results could not confirm the high grade mineralisation encountered at surface. The Company is currently evaluating additional methods of exploration work at the AV project area.

- **Byalo** license is a 191 sq.km area directly adjacent and to the north of the Zvezda license area. During Q1 2015 the Company continued with the review and analysis of the historical data as well as the 2014 exploration results. Additional historical geophysics results and data are currently being digitized.

Ramadanska Chuka (“RC”) – At the RC project area, work continued in Q1 2015 with data analysis and drill hole planning. Data and results were imported into 3D software for analysis and planning of drill hole targeting. Applications for several drill pad areas were submitted to the local municipality to start the permit process for land use.

Regional soil sampling results from the survey carried out north-northeast and east from the RC project highlighted 4 additional anomalous areas which need follow up prospecting, mapping and in-fill soil sampling. Continuation of the RC lithocap to the north is overlain by a significant Mo-in-soil anomaly occupying an area of 1600m x 700m and requires detailed mapping and sampling.

Bryastovo – Assessment work of historical data was carried out at the Bryastovo project area, located 5km northeast of the RC porphyry project. Bryastovo is an area of 2km x 2.4km comprising intensely hydrothermally altered andesite volcanic rocks. Upper parts are marked by advanced argillic lithocaps surrounded by argillic, phyllic and propylitic alteration. The project was drilled from the late 1970's to the early 1990's by a government geological survey. Sixty four drill holes were drilled at 200m x 200m grid. Average depth of drilling was 600m with no systematic sampling of the drill core. Preliminary non 43-101 compliant resource estimation delineated 5.4Mt @ 3.93% Pb; 0.96% Zn; 0.37% Cu. The orebodies are vein and stockwork vein and remain open to the east, west and at depth. Significant assay results are as follows:

- o 6.4m @ 32.88% Pb; 8.6% Zn; 2.18% Cu; 0.35 g/t Au; 64 g/t Ag.

The project requires further detailed mapping and systematic sampling to assess the nature of the hydrothermal system and further exploration potential.



Mexico Exploration Program

Summary of activity

The Company submitted applications with the Mexican General Bureau of Mines (“GBM”) in 2014 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. In Q1 2015 the Company filed applications to drop Cuencame 4, Hidalgo 3, Mapimi Fraccion 1, and Rodeo. The Company has minimal expenses in Mexico as it maintains its remaining Camargo concession in good standing for joint venture or another form of transaction. The Company compiled a database of the geological information which is being used for joint venture discussions.

China Investment

Summary of activity

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, with the Company retaining 5% of the issued and outstanding shares of MMI. The Company has not been informed by MMI 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.



4. RESULTS OF OPERATIONS

The Company ended the three month period with \$7,008,039 in cash, cash equivalents and short term investments, and has no debt.

For the three months ended March 31, 2015, the Company recorded a net loss of \$590,220 (\$0.01 per share) compared to a net loss of \$797,427 (\$0.02 per share) for the three months ended March 31, 2014. This quarter has been the lowest expenditure rate for the Company in the last eight consecutive quarters (as shown in the table below) and reflects the Company's disciplined approach to investment in exploration assets and reduction in corporate expenses.

Summary of Quarterly Results

CAD\$000's,	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13
From operations:							
Interest Income	\$ 30	\$ 28	\$ 38	\$ 39	\$ 38	\$ 43	\$ 47
Exploration and project evaluation	(446)	(678)	(695)	(544)	(607)	(655)	(1,038)
Corporate expenses ⁽¹⁾	(165)	(233)	(219)	(225)	(184)	(365)	(362)
Loss before other (expenses) income	(581)	(883)	(876)	(730)	(753)	(977)	(1,353)
Other income (expense) ⁽²⁾	(9)	(90)	(114)	(60)	(44)	(48)	(76)
Income (loss) for the period	(590)	(973)	(991)	(789)	(797)	(1,025)	(1,429)
Income (loss) per share:							
Basic	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.03)
Diluted	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(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 three months ended	
	March 31, 2015	March 31, 2014
From operations:		
Interest income	30,446	38,072
Exploration and project evaluation	446,477	607,151
Corporate expenses ⁽¹⁾	164,672	184,336
Loss before other expenses (income)	580,703	753,415
Other (income) expense ⁽²⁾	9,517	44,012
Loss for the period	(590,220)	(797,427)
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)

	As at March 31, 2015	As at December 31, 2014
	Total Assets	8,539,927
Total Long Term Liabilities	Nil	Nil
Cash Dividends per Share	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 exploration 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 March 31, 2015 Compared to the Quarter Ended March 31, 2014

For the quarter ended March 31, 2015, the Company recorded a loss of \$590,220 (\$0.01 per share), compared to a net loss of \$797,427 (\$0.02 per share) for the quarter ended March 31, 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 March 31, 2015, exploration and project evaluation costs were \$446,477 (March 31, 2014 - \$607,151). The decrease in exploration expenditures was primarily attributable to a significant reduction in costs in Mexico and a slowdown in exploration in Serbia and Bulgaria during the winter season as well as the Company's continued efforts to reduce non-strategic land holdings in all jurisdictions.

Corporate Expenses

During the three months ended March 31, 2015, corporate expenses were \$164,672 (March 31, 2014 – \$184,336). The decrease in corporate expenses was the result of lower corporate communications costs which were offset by higher corporate governance costs which were related to corporate restructuring costs incurred in Q1 2015.



Liquidity and Capital Resources

The Company's principal source of liquidity as at March 31, 2015 was cash and cash equivalents totaling \$194,520 (December 31, 2014 – \$86,474) and short-term investments of \$6,813,519 (December 31, 2014 - \$7,485,759).

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 March 31, 2015, 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 3,345,000 stock options granted at prices ranging from \$0.21 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 three months ended March 31, 2015 the Company incurred the following expenses related to key management personnel:

Expenses by nature:	For the three months ended	
	March 31, 2015	March 31, 2014
Directors' fees	\$ 24,270	\$ 29,988
Short-term management salaries and benefits	95,604	97,377
Share based payments - Directors	9,415	5,022
Share based payments - Management	4,715	6,613
	\$ 134,004	\$ 139,000

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

There were no amendments to existing standards commencing January 1, 2015 that required adoption by the Company.

Future Accounting Pronouncements

A number of new standards, and amendments to standards and interpretation, will become effective subsequent to December 31, 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 March 31, 2015, 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 McQuat 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.