



MINDORO

RESOURCES LTD

Mindoro Announces TVI Pacific Strategic Investment and Proposed Agata Nickel Project Joint Ventures

MELBOURNE, AUSTRALIA July 6, 2012 - Mindoro Resources Ltd (TSXV: MIO; ASX: MDO; FFT: OLM) (Mindoro, “the Company”) today announced that it has signed a Heads of Agreement (HOA) with Canadian TSX listed company, and Philippines based mine and processing plant operator, TVI Pacific Inc. (TVI) for a strategic private placement of C\$3.155 million in Mindoro as well as proposed joint ventures to fund the Agata Nickel Project to Direct Shipping Ore (DSO) production and complete a nickel processing project Definitive Feasibility Study (DFS). TVI will also have the option to form a joint venture over the Pan de Azucar sulphide project within 12 months.

The details of the planned transactions are as follows:

- i) TVI will advance a bridging loan of C\$968,969 (the "Loan") pursuant to a limited security promissory note. The Loan is to be secured by Mindoro's interests in the Agata South nickel laterite mineral project (“Agata South”) located in the southern part of the Agata Mineral Production Sharing Agreement (MPSA). The HOA provides that the Loan will be repaid by Mindoro promptly following the Tranche 1 Investment, using proceeds from this investment, in which case no interest will be payable on the loan. Otherwise interest will accrue and be payable at a rate of 8% per annum. The loan will mature and be repayable on October 1, 2012. If an event of default were to occur, Mindoro may, at its election, cause the Loan to be repaid with: (i) cash; (ii) the interests of Mindoro (whether direct or indirect) in Agata South; or (iii) the interests of Mindoro (whether direct or indirect) in another Philippines mineral project. The loan will be advanced as soon as practicable following signing of the HOA, but no later than July 18, 2012.
- ii) Subject to completion of satisfactory due diligence by TVI, TVI will subscribe for a total of 63,115,559 common shares of Mindoro by way of private placement, at a price per unit of C\$0.05, for a total consideration of C\$3,155,778. TVI will receive an equal number of common share purchase warrants, with an exercise price of C\$0.10 per share and a five-year term. The private placement will include two Tranches:

Tranche 1 Investment: Subject to satisfaction of certain conditions including no material adverse event or finding being identified by TVI during due diligence, the subscription of 18,779,353 common shares at a price per unit of C\$0.05, for a total consideration of C\$968,969 on August 15, 2012, or such later date, being not later than August 31, 2012, unless otherwise agreed with TVI. TVI will also receive an equal number of common share purchase warrants, with an exercise price of C\$0.10 per share and a five year term. The proceeds from the Tranche 1 investment will be used to repay the bridging loan referred to above.

Tranche 2 Investment: Subject to Mindoro shareholder approval, the subscription of 44,336,206 common shares at a price per unit of C\$0.05, for a total consideration of C\$2,216,810 as soon as reasonably practicable following receipt of Mindoro shareholder approval at a Special Shareholders Meeting to be held not earlier than September 14, 2012 and not later than September 28, 2012. TVI will also receive an equal number of common share purchase warrants, with an exercise price of C\$0.10 per share and a five year term.

The HOA provides that following the Tranche 2 Investment, TVI will be entitled to nominate one director to the board of directors of Mindoro out of a maximum of six directors and should TVI exercise the Warrants in full, it will have the right to nominate at least two directors to the board of directors of Mindoro.

The HOA also contemplates that TVI will have a pre-emptive right to participate in any future offerings of Mindoro Shares in order to enable TVI to maintain its percentage ownership interest in Mindoro.

This private placement is subject to the execution of a definitive subscription agreement and definitive agreements with respect to the joint ventures referred to below, certain other conditions and the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange.

- iii) TVI will have the exclusive right to form two Joint Ventures (JVs) relating to Mindoro's Agata Nickel Project, comprising the Agata MPSA and exploration permits (EPs) located north and south of the Agata MPSA (but excluding tenements at Tapian San Francisco that are the subject of the transaction with Red Mountain Mining Ltd), as follows:

Agata DSO Joint Venture (ADJV): TVI will commit to 100% of the required expenditures to establish a Direct Shipping Ore (DSO) operation with the intention of generating early cash flow for the DSO Joint Venture. Once the project starts a DSO operation, TVI will earn a 60% interest in the ADJV, subject to TVI having expended a minimum of C\$2 million within 12 months and achieving DSO operation within three years of entering into the joint venture agreement with TVI. TVI will retain no interest in the ADJV if it withdraws prior to commencing a DSO operation.

Agata Processing Joint Venture (APJV): TVI will commit to 100% of the required expenditures to complete a definitive feasibility study (DFS) on nickel processing for the Stage 2 Agata Nickel Project. Upon delivery of the DFS, including pilot-scale metallurgical testing, third-party engineering studies and documentation, TVI will earn a 60% interest in the APJV, subject to TVI having expended a minimum of C\$2 million within 12 months and completing the DFS within four years of entering into the joint venture agreement with TVI. TVI will retain no interest in the APJV if it withdraws prior to completing the DFS.

- iv) TVI will also have an exclusive option to form a joint venture on the Pan de Azucar Project within 12 months of the HOA, renewable for a further 12 months for payment to Mindoro of C\$200,000. Terms and conditions to include US\$2 million to earn 51% then an option to spend another US\$3 million to earn an additional 9%, increasing its interest to 60%.
- v) In the event a proposed sale of Mindoro's Tapian San Francisco Project in the Philippines to Red Mountain Mining Ltd. does not proceed, the HOA provides that TVI will have an exclusive option

(expiring March 31, 2013) to form a joint venture with Mindoro on terms and conditions suitable for an early stage exploration prospect.

The HOA provides that all joint ventures entered into between TVI and Mindoro will be operated by TVI and will be overseen by a management committee that includes representatives of TVI and Mindoro in proportion to their joint venture interests (provided that during the earning period of the joint ventures, TVI will control each management committee). TVI's participation in the joint ventures is conditional upon the Loan being extended to Mindoro prior to July 18, 2012.

Mindoro has agreed to an up to 90 day exclusivity period with respect to the transactions set out in the HOA, but not later than the date of the Mindoro Shareholder Meeting or September 28, 2012. During the exclusivity period, TVI and TVI are entitled to conduct such legal, financial and technical due diligence as they consider appropriate, and it is a condition of TVI that the results of such due diligence inquiries be satisfactory to TVI, in its sole discretion.

Mindoro President and CEO Jon Dugdale said, "we are very pleased with the planned strategic investment from TVI Pacific, and the proposed joint ventures, with such a successful Philippines mine and processing plant operator. The proposed joint ventures optimise the opportunity for Mindoro to achieve DSO cash flow production in the near term, as well as maintain a substantial stake in a potential major processing project down the track".

The Tranche 2 investment by TVI will require approval by Mindoro shareholders as well stock exchange approvals, including approval from the TSX Venture Exchange. A Special Shareholders Meeting will be held not earlier than September 14, 2012 and not later than September 28, 2012. Notice of the meeting and materials will be dispatched in due course which will set out further information regarding the Tranche 2 Investment.

A copy of TVI's announcement can be accessed on www.sedar.com or on TVI's website, www.tvipacific.com.

About TVI

TVI Pacific Inc. (TVI) is a publicly-traded Canadian company that, through its Philippines affiliate TVI Resource Development (Phils.), Inc. (TVIRD), is focused on the production, development, exploration and acquisition of resource projects in the Philippines. TVI produces copper and zinc concentrates from the Canatuan mine in western Mindanao, is in pre-development at the Balabag gold and silver project, and is carrying out exploration programs on other North Zamboanga tenements. TVI also has an interest in an offshore Philippine oil property. TVIRD has an outstanding track record of cost-efficient development and production in the Philippines and also has in-house Engineering, Procurement, and Construction Management (EPCM) services and a wholly owned drilling company, TVIRD Drilling Services that will be available to provide the drilling resources to meet all or part of the contemplated expenditure commitments.

About Mindoro

Mindoro is a Tier 1 Issuer trading on the TSX Venture Exchange (MIO), Australian Securities Exchange (MDO) and Frankfurt Stock Exchange (WKN 906167). Mindoro is focused on nickel, gold and copper-gold exploration and development in the Philippines where its 75% interest PFS-stage (Nov 2011) Agata Nickel Project has NI 43-101 Mineral Resources that include Measured and Indicated resource estimates totalling 42.76 million tonnes at 1.01% nickel, for 430,000 tonnes contained nickel, and Inferred resource estimates totalling 2.435 million tonnes at 0.99% nickel (Sep 2011). Mindoro holds option agreements to increase its stake in Agata to 100%. In addition the Company has NI 43-101 Mineral Resource estimates on its 100% interest Batangas projects of Indicated Resources 393,000 ounces of gold (Archangel, Indicated 9,879,000t @ 1.1 g/t Au and Lobo, Indicated 270,000t @ 6.49 g/t Au) and Inferred Resources 108,000 ounces of gold (Archangel, Inferred 3,741,000t @ 0.8 g/t Au and Lobo, Inferred

61,000t @ 5.35 g/t Au); a drill-defined copper-gold-sulphur Exploration Target on its 75% interest Pan de Azucar project, Iloilo, as well as 10 key porphyry copper-gold prospects at varying stages of advancement.

On the May 29 2012, updated June 25 2012, and approved by shareholders June 27 2012, Mindoro announced a proposed major restructure of its Philippines assets. The purpose of the restructure is to spin-out (sell) the key gold and copper-gold assets, namely the Batangas gold projects including Archangel and Lobo, and the Tapanan San Francisco (TSF) copper-gold properties near Surigao, to ASX listed Red Mountain Mining Ltd (RMX). The parties signed a non-binding, conditional term sheet in relation to the sale of such assets to RMX. The consideration for the sale of the assets is shares in RMX, payable to Mindoro in two tranches of 100 million voting shares then a conditional 50 million performance shares. Binding agreement is due to be finalised shortly with RMX shareholders vote and completion of the transaction planned for August 2012. This sale of assets to RMX remains subject to finalizing and signing of a definitive sale agreement with RMX, shareholder approval by RMX's shareholders and approval by the TSX Venture Exchange.

On behalf of the Board of Directors.

Jon Dugdale,
President and CEO

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company's development and production objectives are intended to provide an indication of management's current expectations and are still conceptual in nature. It is uncertain that sufficient resources will be established and if established that these resources will be converted into economically viable mining reserves. Until a feasibility study has been completed, there is no certainty that these objectives will be met. Mindoro's exploration programs are prepared and/or designed and carried out under the supervision of Tony Climie, P.Geol., who is a qualified person as defined by National Instrument 43-101 and is a competent person as defined by the JORC Code, and who has reviewed and verified the pertinent disclosure of exploration related technical information contained in this news release. Boyd Willis, FAusIMM, a qualified person as defined by National Instrument 43-101, has reviewed and verified the disclosure of a development and metallurgical processing nature contained in this news release. The Company's resource estimates were originally prepared in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is a rule developed by the

Canadian Securities Administrators that governs how Canadian issuers disclose scientific and technical information about mineral projects. All resource information is also expressed in terms of the JORC Code.

This release may contain forward-looking statements including management's assessments of future plans and operations, and expectations of future production. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to, the risks associated with the mining and exploration industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty with respect to results of exploration, the uncertainty of estimates and projections relating to production and the uncertainty of the availability of capital). The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake to update forward-looking statements except where required to do so by law.