



Consolidated Financial Statements
For the Fiscal Quarter Ended September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

These financial statements have not been reviewed by the Company's auditors

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the Fiscal Quarter Ended September 30, 2007
November 9, 2007

All dollar figures are expressed in United States dollars unless otherwise indicated.

The following discussion and analysis is to be read in conjunction with the unaudited Consolidated Financial Statements for September 30, 2007 and September 30, 2006 and related notes which are prepared in accordance with Canadian Generally Accepted Accounting Principles. This document has been reviewed by the Audit Committee of the Board of Directors of the Company pursuant to its mandate and charter and has been approved by the Board of Directors. Additional information relating to the Company, including its Annual Information Form, can be found on SEDAR at www.sedar.com and on the Company's website at www.mundoro.com.

1. DESCRIPTION OF BUSINESS & SUMMARY OF RECENT ACTIVITIES

Mundoro Mining Inc. (the "Company"), a BC registered company whose shares trade on the TSX, is involved in the acquisition, exploration and development of mineral resource properties. Mundoro entered China in 1997. The Company's current focus is the feasibility stage Maoling Gold Project in Liaoning Province, China. In 2001 the Company was invited by a central government tender to help to develop the Maoling gold deposit. It formed a Chinese joint venture company Liaoning Tianli Mining Company Ltd. ("Tianli"). The joint venture partner is Liaoning Aidi Resources Company Limited ("Aidi"), the corporate arm of the Liaoning Geology and Exploration Bureau. Mundoro's 79% interest in Tianli is represented on the Tianli board by five directors and Aidi's 21% interest is represented by three directors.

The Company completed a Pre-Feasibility Study in June 2005 which demonstrated the economic viability of developing a large-scale open-pit mine in Zone 1, one of two identified deposits: Zone 1 and Zone 4. In September 2005, the Company appointed an integrated Chinese-international team of engineers and environmental experts to optimize the mine/mill design and to complete a Feasibility Study.

Thus far, two deposits that outcrop at surface have been outlined at Maoling in which disseminated, free-milling gold mineralization occurs within a sequence of metasedimentary rocks. Exploration and feasibility work conducted thus far has outlined the following Reserves and Resources, estimated using a 0.50 g/t gold cut-off grade:

Reserves

Tonnes (millions)	Grade (Au g/t)	Contained Gold (million ozs)
Zone 1 Pre-Feasibility Probable Reserve		
88.8	1.0	2.8

The Measured, Indicated and Inferred Resources place the Maoling project in the category of one of the largest undeveloped gold deposits in the world.

Resources

Tonnes (millions)	Grade (Au g/t)	Contained Gold (million ozs)
Zone 1 Measured & Indicated Resource*		
161	0.92	4.8
Total Zone 1 and 4 Inferred Resource		
158	0.9	4.4
<small>* estimate includes Measured Resource of 4 million tonnes grading 1.31 grams gold per tonne</small>		

Progress on the Feasibility Study

Work on the Feasibility Study, which is coordinated by Ausenco Limited ("Ausenco"), is in the final stages of completion. The work on the Feasibility Study has concentrated on optimization of capital and operating costs, including incorporation where possible of Chinese equipment. The Feasibility Study is pending completion of essential fieldwork (i.e. geotechnical drilling) which awaits Tianli's business license renewal. The Company has received an interim report on the feasibility study work to date, and is evaluating improvements through production ramp up. Golder Associates Pty Limited ("Golder") has been engaged for resource modeling and estimation, mine and tailings facility design, hydrology and geotechnical studies

while Ausenco has been focused on acting as project manager, finalizing process design and working on costing. The Company retained Beijing General Research Institute of Mining and Metallurgy (“BGRIMM”) to assist with environmental planning and evaluation. Golder and BGRIMM have been coordinating their efforts on the Environmental and Social Impact Assessment (“ESIA”). The China Nonferrous Engineering and Research Institute (“ENFI”) also based in Beijing is doing the Chinese design work.

Licensing & Government Relations

The Company continues to document and convey the economic and environmental merits of the Maoling Gold Project to the county, municipal, provincial and national levels of government in China. The technical merits of Maoling are well documented in the Pre-feasibility Study completed in 2005 and have been supplemented with the work that is ongoing on the Feasibility Study and the preparatory material for the completion of a full ESIA. As reported last quarter, Mundoro had received written notice from Aidi to meet and discuss whether the termination of co-operation and whether additional expenses are warranted at this stage. The Company has proposed meetings with Aidi and with representatives of relevant government agencies in China in order to fully understand and analyze the implications of provincial policy at this point in time and discuss in a constructive and friendly manner, all options available to Tianli. A meeting date has not been finalized. The Company has made significant strides in building support for the development of a modern mine at Maoling which will serve as a showcase of the latest mine management methods.

The key developments since the business license has been pending renewal in August 2005 are:

- The Company’s Board of Directors in the latter part of 2005 started to implement a transition in the senior management of the Company which brought on board a new Chairman, Chief Operating Officer, Chief Financial Officer and General Manager China to make the transition from exploration to development, to further understand China and most importantly, to complete the technical design of the mine and move the project toward production.
- Over the last 2 years the Company has been communicating the mining plan and building confidence with officials in Liaoning and the central government level.
- In 2006, Mundoro and Aidi, completed a Chinese qualified geological exploration report (i.e. reserve estimate) and are awaiting for the restoration of Tianli’s business license before being permitted to submit this estimate to relevant agencies for review and acceptance.
- The Company has completed, with the support of ENFI / BGRIMM / Qinghua University and Ausenco / Golder and its internal staff, most of the components of the Feasibility Study and hopes to restore Tianli’s business license to be able to complete a formal ESIA. Neither the government nor the leadership of the province is being asked by Tianli to endorse the project until a team of experts has completed the formal ESIA process as required under the 2005 ESIA law in China. At this point Tianli is asking for the renewal of its business license. The formal ESIA report is one of the 42 reports/documents required for a mining permit that can only be issued having been reviewed provincially and nationally and ratified by the State Council.
- Mundoro took Aidi on a tour to the Cripple Creek operation run by Anglo Ashanti in Colorado which is of similar size to the contemplated operation at Maoling; this trip helped Aidi understand what is technically feasible at Maoling.
- The project meets national guidelines for foreign participation in gold projects.
- An independent report by Qinghua University in Beijing and the analysis completed to date by ENFI/BGRIMM/Ausenco and Golder both indicate the deposit can be developed in a safe and responsible manner that will have no negative impact on the water quality for the local region.
- The Company is committed to the Equator Principles followed by the World Bank and adheres to international and Chinese national standards for mining.

- The Company is pleased to work with the Liaoning government, Dalian government, Yingkou/Gaizhou and central government in a friendly, constructive manner to address any document concerns by following an objective scientific approach and providing solid technical solutions.
- Mundoro has a strong balance sheet to complete the ESIA process and to commence the development process for Maoling and furthermore have engaged Societe Generale since 2006 for financial advisory services to fund the construction of a gold mine at Maoling.
- The Company continues to build awareness of the project and the Company's commitment to execute the project in a environmentally sound manner by deploying additional communication channels in China by utilizing the resources of the Canadian Embassy in China, Natural Resources Canada, China International Mining Group, Canada China Business Council, Austrade and other agencies.
- The Company continues to work with the City of Yingkou and its Municipal People's Congress, in conjunction with our local partner Aidi, in Yingkou's plans for the economic development of that region, of which the Maoling project is an important part, with a view to build future wealth for that region.

Sustainable Development & Community Relations

Mundoro has a continuing community development program in the area of its Maoling Gold Project in Liaoning Province. This program is to complement existing efforts within the community and region where Maoling is located by facilitating further development of local infrastructure and economic advancement, which is an integral component of the Company's commitment to sustainable development. The rural environment around Maoling has basic infrastructure such as paved roads, grid-connected electrical service and communications. Mundoro believes that it can assist further development in a variety of areas including basic sanitation, the provision of fresh water, local medical service improvements, as well as assistance in scholastic and professional development. Mundoro is currently spending funds as part of the RMB 1.2 million (~US\$158,500) donation over three years to fund educational, health and sanitation development in Gaizhou County. The value, scale and feasibility of Mundoro's sustainable development efforts will be determined in such a way that individual programs can be implemented at appropriate stages of Maoling's development.

In order to address any regional environmental concerns and to properly communicate the Company's plans for the project's development, Mundoro formed the Maoling Advisory Committee on Environmental Protection and Sustainable Development ("MACEPSD"). This committee's mandate is to provide independent review and recommendations to the Board of Mundoro in addition to the regular compliance and reporting required by the laws and regulations of the State Environmental Protection Agency. The committee is comprised of and led by expert representatives from local community, government and academic bodies, with the primary objectives of providing: two-way communication between stakeholders and the Company; input into the mine design and development process; and input on the design features of reclamation and sustainable development aspects of the project. The committee has met four times since its inception.

Sampling and Control Procedures

The Company has in place, high quality assurance and control procedures for its sample integrity, preparation, handling, storage, analysis and security. All drilling and re-assay programs were in consultation with contracted engineering firms to ensure proper adherence to globally accepted standards. These procedures and programs have been verified under the direction and oversight of an 'Independent Qualified Person' as defined by National Instrument 43-101. Over the course of developing the Maoling project, three engineering firms (Ausenco, Golder and AMEC) have independently verified the Company's sampling and control procedures, most recently for the preparation of the feasibility study. National Instrument 43-101 compliant technical reports for the pre-feasibility and all reserve and resource estimates have been filed on the SEDAR website at www.sedar.com.

2. FINANCIAL HIGHLIGHTS

- The Company's consolidated net loss for the quarter was \$889,964 or \$0.02 per share compared with a net loss of \$2,512,639 or \$0.07 per share for the previous quarter. The net loss is attributable to:
 - I. expending \$245,081 on the final Feasibility Study and Mineral Exploration costs;
 - II. expending \$583,290 on corporate expenses;
 - III. expending \$325,484 on other expenses that are non-cash accounting items; and
 - IV. earning interest income of \$263,891.
- The Company ended the quarter with \$18,876,159 in cash with no debt.

3. RESULT OF OPERATIONS

(000's US\$)	3 months ended Sept. 30, 2007	3 months ended Sept. 30, 2006
Engineering and Exploration Costs	245,081	976,119
Corporate Expenses		
Accounting and audit	70,787	76,508
Corporate Communication & Marketing	82,289	98,813
Corporate & Legal	84,492	179,342
Government & Community Relations	242,144	165,161
General and Administrative	103,578	538,430
Total Corporate Expenses	583,290	1,058,254
Other Expenses		
Amortization	11,612	8,797
Stock-based compensation	137,680	700,838
Foreign exchange loss (gain)	176,192	(17,688)
Total Other Expenses	325,484	691,947

Three months ended September 30, 2007 compared to the three months ended September 30, 2006

- The Company's corporate expenses for the quarter were \$583,290 which has decreased from the previous period's quarter of \$1,058,254 primarily due to the elimination of a one time expense last year during the quarter for employee termination.
- The loss in this quarter is \$889,964 compared to \$2,512,639 for the previous period's quarter. The decrease in loss is primarily due to the decrease in engineering and exploration costs; a decrease in non-cash accounting items (shown as Other Expenses in the table above); and the elimination of a one time expense last year during the quarter for employee termination.
- Income from interest was higher at \$263,891 in the quarter compared with \$213,681 for the previous period's quarter, due to higher short term rates, despite a decrease in the cash balance from Q3 2006.
- Engineering and exploration costs for the quarter were \$199,160 and \$45,921 compared with \$799,817 and \$176,302 respectively during the previous period's quarter, reflecting nearing completion of work on the Feasibility Study at the current stage of development.

Nine months ended September 30, 2007 compared to the nine months ended September 30, 2006

- The Company's corporate expenses for the period were \$1,898,985 which has decreased from the previous period of \$2,274,970 primarily due to the elimination of a one time expense last year during the period for employee termination.

- The loss for the period was \$5,839,341 compared to \$5,774,702 for the previous period. The loss is due primarily to non-cash accounting items, mainly for the issuance of stock options, of \$1,680,272 and foreign exchange loss of \$1,844,649 for the period.
- Income from interest was slightly higher at \$647,362 in the period compared with \$636,651 for the previous period, due to higher short term rates, despite a decrease in the cash balance
- During the period, the Company raised \$142,500 from the exercise of stock options and warrants, compared with \$366,500 being raised for the previous period.
- Engineering and exploration costs for the period were \$691,279 and \$342,093 compared with \$2,218,711 and \$446,750 respectively during the previous period, reflecting a winding down of work on the Feasibility Study.

4. FEASIBILITY STUDY AND MINERAL EXPLORATION ACTIVITIES

The Feasibility Study, which commenced in September 2005, has cost \$3,201,416 to-date under Ausenco's supervision as project manager. The Environmental & Social Impact Assessment ("ESIA") study has accumulated costs of \$936,339 to date.

5. SUMMARY OF QUARTERLY RESULTS

(000's US\$)	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06	Q4/05
Interest income	\$264	\$179	\$204	\$216	\$214	\$220	\$203	\$181
Engineering & Exploration costs	(245)	(425)	(363)	(561)	(976)	(1,284)	(527)	(1,108)
Corporate Expenses ⁽¹⁾	(583)	(736)	(579)	(686)	(1,059)	(690)	(526)	(760)
Other Expenses ⁽²⁾	(325)	(1,664)	(1,565)	(106)	(692)	(185)	(594)	(460)
Loss for the period	(890)	(2,646)	(2,303)	(1,137)	(2,513)	(1,939)	(1,445)	(2,147)
Loss per share, basic and fully diluted	(0.02)	(0.07)	(\$0.06)	(\$0.03)	(\$0.07)	(\$0.05)	(\$0.04)	(\$0.06)

(1) Corporate Expenses include: accounting and audit, corporate and legal, government and community relations, corporate communication and marketing, and general and administrative expenses.

(2) Other Expenses include: non-cash items such as stock based compensation, amortization and foreign exchange loss (gain).

6. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company considers it has sufficient working capital to cover all commitments, including completion of the Feasibility Study at Maoling and leading up to a production decision and the pre-production phases of the project. Anticipated spending requirements following a production decision include detailed engineering and ordering mine components where long lead times are anticipated. Additional working capital will be required to complete construction at Maoling. The Company plans to explore appropriate financing routes to fund the mine development phase at Maoling which may include any one of or combination of: issuance of share capital, funding through strategic alliance, project debt, convertible securities or other financial instruments. The Company continues to work with Société Générale as the project debt advisor for the Maoling Gold Project. Although the intent is to plan and arrange the necessary project debt financing to build a mine at Maoling, there is no assurance that all of the required debt and equity financing will be raised. Certain of these financing sources may be with recourse to the Company. Decisions with respect to financing alternatives will be made at the time of a production decision.

With the exception of interest earned on investments the Company does not have revenue and relies upon equity financings to fund its exploration and feasibility work. Further cash resources may become available through the exercise of outstanding options, which would contribute \$8,829,830 to the Company's treasury should they all be exercised.

The Company's principal source of liquidity as at September 30, 2007 is cash of \$18,876,159 (September 30, 2006 – \$20,885,843, cash and cash equivalents). At September 30, 2007, the cash was yielding a weighted average interest rate of 4.33% per annum.

The Company has no long term debt.

7. 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.

8. OUTLOOK

The Company continues to be focused on: (i) the renewal of the business license; (ii) advancing the technical and environmental studies as well as the community relations work for the Maoling Gold Project; (iii) investigating financing alternatives for the construction of a mining operation at Maoling; and (iv) evaluating opportunities for property acquisitions and other strategic alternatives to build shareholder value. The Company continues to market to investors to increase market awareness of the Company and build the shareholder base through attending investor conferences and road shows in North America, Europe and Asia.

9. ANNUAL INFORMATION FORM

The Company's Annual Information Form ("AIF") was filed with the British Columbia, Alberta and Ontario securities commissions on March 29, 2007, and is available on SEDAR at www.sedar.com.

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 the management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period, that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Mundoro, including the consolidated subsidiary, is made known to them by others within both entities. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do 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 Chief Executive Officer and Chief Financial Officer of Mundoro are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company has assessed the design of the internal control over financial reporting and during this process the Company identified certain weaknesses in internal controls over financial reporting which are as follows:

- Due to the limited number of staff at Mundoro, it is not feasible to achieve complete segregation of incompatible duties.
- Due to the size of the Company and the limited number of staff, Mundoro does not have the optimum complement of personnel with all the technical accounting knowledge to address all complex and non-routine accounting transactions that may arise. Hence the Company hires external accounting firms to assist in the completion of such transactions.

These weaknesses in Mundoro's internal controls over financial reporting may result in a more than remote likelihood that a material misstatement would not be prevented or detected. 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.

12. RISKS AND UNCERTAINTIES

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 along with the other matters set out or incorporated by reference in this interim report. These are more fully described in the Company's AIF, and include but are not limited to:

Permits and Approvals - All foreign funded and domestic mining projects in China require government approval. At the exploration stage, the primary licenses which are required for the Joint Venture to operate are a business license and an exploration license. As previously disclosed the Joint Venture's business license expired on August 31, 2005 and the Exploration License expired on November 5, 2005. There can be no assurance they will be re-issued to the Joint Venture. In due course, the Joint Venture company will apply for a mining permit, which is required before it can extract and process ore from Maoling. There can be no certainty that this or any other permits or approvals required to develop the Maoling Gold Project will be granted in a timely manner, or at all.

Title to Properties - A legal title opinion has been rendered on the Maoling Property in the fourth quarter of 2005, however, there is no guarantee that challenges to title will not be made in the future.

Risks Related to China -The Company's project is located in China. China's economy differs from the economies of most developed countries in many respects, including: level of government involvement; level of development; growth rate; control of foreign exchange and legal recourse. Regardless of the economic viability of the Company's properties, factors such as political instability, terrorism, expropriation by governments or the imposition of new regulations or tax laws may prevent or restrict mining of some or all of the Company's properties. If a dispute were to arise between the Company and its joint venture partner or any third party the Company would be obliged to depend on the courts of China for adjudication.

Exploration and Development - The mineral exploration and development business carries a number of significant risks including, amongst others, failure to discover mineral deposits; the discovery of deposits that are insufficient in quantity and/or quality to develop profitably. The Company's only current property is the Maoling Property in which a body of ore containing 2.8 million ounces of Probable Reserve has been defined. A considerable percentage of the Company's property-wide resources have not yet been converted to reserves and there is no guarantee that additional drilling and economic studies will cause these resources to be converted into reserves. The marketability of minerals acquired or discovered by the Company may be affected by factors beyond the control of the Company and which cannot be accurately predicted, such as proximity and capacity of milling facilities and mineral markets.

Environmental and Safety Regulations and Risks - Environmental laws and regulations may affect the operations of the Company. The Company minimizes these risks by complying with all applicable and international environmental, health and safety standards and regulations. The Company relies on recognized engineers and contractors from which the Company will, in the first instance, seek indemnities in the event of a significant environmental damage event. In addition, there is also a risk that the environmental laws and regulations in China may become more onerous, making the Company's operations in that country more expensive. There is no assurance that future environmental regulations will not adversely affect the Company's operations. Both the exploration and production phases of the Company's operations will be subject to environmental protection regulations in the jurisdictions in which it operates. 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. China is strengthening its environmental protection legislation and enforcement of its regulations. There is no assurance that current or future Chinese environmental regulations will not adversely affect the Company's operations.

Financial Capability and Additional Financing - The Company has limited 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 project. Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing in the future to execute its business plan with respect to the Maoling Project.

Fluctuating Metal Prices - The Company's revenues, if any, are expected to be in large part derived from the sale of gold. The price of gold and other commodities has fluctuated widely in recent years and is affected by factors beyond the control of the Company 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 gold due to new mine developments, mine closures as well as advances in various production and use technologies of gold. All of these factors will have impacts on the viability of the Company's activities that are impossible to predict.

Currency Exchange Rates - The Company maintains its accounts in US dollar, Canadian dollar and Renminbi (RMB) denominations. On July 21, 2005 the Chinese government, through the central bank, decided to allow the RMB to float in a broader band relative to a basket of currencies. The RMB has slowly appreciated versus the US dollar since then. This uncoupling of the RMB from the US dollar could ultimately impact the cost of doing business in China for the Company.

Other risk factors include issues relating to: results of prior exploration work; estimates of reserves and resources; economics of mine development; uninsurable risks; gold sales; currency repatriation and conversion; industry competition; management performance and succession; price volatility of publicly traded securities; and the residency of directors and others.

Qualified Persons

The PFS described herein was prepared to broadly quantify the Maoling Zone 1 deposit's capital and operating cost parameters, and to further the development of the project. It was not prepared for use as a valuation of the deposits, nor should it be considered to be a final feasibility study. The information contained in the PFS reflects various technical and economic conditions at the time of writing that can change significantly over relatively short periods of time. Reserves quoted were prepared by AMEC Americas Ltd. under the direction and oversight of Mr. Mark Pearson P.Eng. of Vancouver, BC, an 'Independent Qualified Person' as defined by National Instrument 43-101.

Resource estimation for the Zone 1 area in 2006 was carried out in the Brisbane, Australia office of Golder Associates Pty Limited, an international earth sciences consulting group under the direction and oversight of Dr. Andrew Richmond, MAusIMM, an 'Independent Qualified Person' as defined by NI43-101. The Zone 4 Resource Estimate (2001) was prepared by AMEC Americas and is reviewed in a technical report prepared by Peter Lewis, Ph.D., P.Geo. NI43-101 compliant technical reports for the pre-feasibility study and all reserve and resource estimates have been filed on the SEDAR website at www.sedar.com.

Information Concerning Estimates of Measured, Indicated and Inferred Resources

This management discussion and analysis of financial results used 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 National Instrument 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 Assessment as defined under 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.

Cautionary Statement on Forward-Looking Information

Certain information contained or incorporated by reference in this MD&A including any information as to the Company's future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are

inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as steel, diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and China or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; quantities or grades of reserves; and contests over title to properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. The Company disclaims any intention or obligation to update or revise any forwardlooking statements whether as a result of new information, future events or otherwise.

MUNDORO MINING INC.

Consolidated Balance Sheets

September 30, 2007 and December 31, 2006

(Unaudited and expressed in United States Dollars - except as noted otherwise)

	September 30, 2007	December 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	\$ 18,876,159	\$ 14,857,490
Short-term investments (Note 3)	-	4,273,252
Accounts receivable	112,922	166,999
Prepaid expenses and deposits	145,643	111,825
	19,134,724	19,409,566
Mineral interests (Note 4)	100	100
Equipment and vehicles (Note 5)	212,899	217,671
Total Assets	\$ 19,347,723	\$ 19,627,337
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 256,721	\$ 470,004
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	36,157,820	35,954,791
Warrants (Note 6 (e))	2,123,527	2,123,527
Contributed surplus (Note 6(f))	4,577,576	2,957,833
Deficit	(28,855,036)	(23,015,695)
Cumulative translation adjustment (Note 2 (g))	5,087,115	1,136,877
Total Shareholders' Equity	19,091,002	19,157,333
Total Liabilities and Shareholders' Equity	\$ 19,347,723	\$ 19,627,337

Nature of Operations (Note 1)

Contingencies and Commitments (Note 8)

Approved by the Directors:

"Patrick Downey"
Patrick Downey

"Robert van Doorn"
Robert van Doorn

MUNDORO MINING INC.

Consolidated Statements of Operations and Deficit

Six Months Ended September 30, 2007 and 2006

(Unaudited and expressed in United States Dollars - except as noted otherwise)

	3 months Ended		9 months Ended	
	30-Sep 2007	30-Sep 2006	30-Sep 2007	30-Sep 2006
Interest income	\$263,891	\$213,681	\$647,362	\$636,651
Engineering and exploration costs (note 4)	245,081	976,119	1,033,372	2,665,461
Expenses				
Accounting and audit	70,787	76,508	282,623	212,798
Corporate communication and marketing	82,289	98,813	288,840	342,009
Corporate and legal	84,492	179,342	336,729	504,268
Government and community relations	242,144	165,161	627,340	386,558
General and administrative	103,578	538,430	363,453	829,337
	583,290	1,058,254	1,898,985	2,274,970
Loss before other expenses below	(564,480)	(1,820,692)	(2,284,995)	(4,303,780)
Other expenses				
Amortization	11,612	8,797	29,425	24,404
Foreign exchange loss (gain)	176,192	(17,688)	1,844,649	33,195
Stock based compensation (Note 6(f))	137,680	700,838	1,680,272	1,413,323
	325,484	691,947	3,554,346	1,470,922
Loss for the period	(889,964)	(2,512,639)	(5,839,341)	(5,774,702)
Weighted average shares outstanding:				
Basic	38,644,061	38,401,561	38,621,973	38,006,800
Loss per share, basic	\$ (0.02)	\$ (0.07)	\$ (0.15)	\$ (0.15)
Deficit, beginning of period	(27,965,072)	(19,488,083)	(23,015,695)	(16,104,281)
Deficit, end of period	(28,855,036)	(22,000,722)	(28,855,036)	(21,878,983)

MUNDORO MINING INC.

Consolidated Statements of Cash Flows

Nine Months Ended September 30, 2007 and 2006

(Unaudited and expressed in United States Dollars - except as noted otherwise)

	3 months Ended		9 months Ended	
	30-Sep 2007	30-Sep 2006	30-Sep 2007	30-Sep 2006
Cash flows from (used in) operating activities				
Loss for the period	\$ (889,964)	\$ (2,512,639)	\$ (5,839,341)	\$ (5,774,702)
Adjustments for items not involving cash:				
- amortization	15,505	8,797	51,714	24,404
- stock-based compensation and contributed surplus	137,680	707,484	1,680,272	1,428,953
	(736,779)	(1,796,358)	(4,107,355)	(4,321,345)
Change in non-cash working capital:				
- (increase) decrease in accounts receivables	31,300	(5,266)	54,077	(140,976)
- (increase) decrease in prepaid expenses and deposits	40,621	38,521	(33,818)	(125,760)
- increase (decrease) in accounts payable and accrued liabilities	44,120	298,738	(213,283)	130,021
	(620,738)	(1,464,365)	(4,300,379)	(4,458,060)
Cash flows from financing activities				
Proceeds from issuance of shares	-	-	142,500	366,500
	-	-	142,500	366,500
Cash flows provided by (used in) investing activities				
Acquisition/disposal/adjustment of equipment and vehicles, net	(24,695)	3,627	(46,942)	(16,680)
	(24,695)	3,627	(46,942)	(16,680)
Effect of exchange rate change on cash & cash equivalent	1,005,820	(88,416)	3,950,238	959,607
(Decrease) increase in cash and cash equivalents	360,387	(1,549,154)	(254,583)	(3,148,633)
Cash and cash equivalents, beginning of period	18,515,772	22,434,997	19,130,742	24,034,476
Cash and cash equivalents, end of period	\$ 18,876,159	\$ 20,885,843	\$ 18,876,159	\$ 20,885,843
Supplementary cash flow information				
Interest paid	\$0	\$0	\$0	\$0
Income taxes paid	-	-	-	-

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

1. Nature of Operations

The Company was incorporated on January 10, 1997 under the Business Corporations Act of Yukon, Canada and is in the business of exploration and development of mineral properties. On November 30, 2000, the Company registered as an extra-provincial company under the Company Act of the Province of British Columbia. Effective on June 14, 2005 the Company continued as a corporation in the province of British Columbia.

2. Significant Accounting Policies

The consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(a) Consolidation

These consolidated financial statements include the accounts of the Company and its 79% owned joint venture company, Liaoning Tianli Mining Company Ltd. ("Tianli"), incorporated on August 31, 2001 in Liaoning, China. The minority interest (21%) is \$ nil as it represents only a profit sharing and working interest. As at September 30, 2007, the joint venture is still in the exploration and development stage and has not generated any revenue; therefore, the accounts of Tianli are 100% consolidated.

These consolidated accounts also include those of Mundoro Mining Corporation ("MMC"), a wholly-owned subsidiary, and MMC's wholly-owned subsidiary Tianli Mining Corporation ("TMC"). Both MMC and TMC were incorporated on April 18th, 2006 in the British Virgin Islands.

Inter-company accounts and transactions have been eliminated.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the amount of revenues and expenses reported during the period. Actual results may differ from those estimates.

(c) Mineral Interests

The Company follows the practice of expensing all engineering and exploration costs until a production decision is made for putting the deposit into production.

(d) Cash and Cash Equivalents

Cash equivalents include those short-term money market instruments which have a term to maturity of 30 days or less when acquired.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

2. Significant Accounting Policies (continued)

(e) Short-term Investments

Short-term investments are comprised of highly liquid, investment grade money market instruments, with terms to maturity of greater than 30 days but not more than 360 days. Short-term investments are carried at the lower of cost or recoverable amount.

(f) Equipment and Vehicles

Equipment and vehicles are carried at cost. Amortization is provided at the following annual rates:

Vehicles	30% Declining balance
Computer	30% Declining balance
Furniture and fixtures	20% Declining balance
Office equipment	20% Declining balance
Leasehold improvements	5 years straight-line

(g) Foreign Currency Translations

As of December 31, 2005, the Company adopted the U.S. dollar for financial reporting purposes. The reasons for the change were as follows: major capital expenditures are expected to be, predominantly in US dollars; and future gold mining revenues are typically priced in US dollars. The Company translated 100% of Tianli's amounts from Chinese Renminbi ("RMB") yuan to Canadian dollars using the Temporal Method for consolidation with the Company's accounts, as follows: monetary items such as cash, accounts receivable, accounts payable and accrued liabilities are converted at the rate of exchange in effect at the applicable balance sheet date; non-monetary items such as equipment and vehicles, amortization and share capital items are converted at each transaction's historical rate; and revenues and expense items are converted at the average rates for the period. Any unrealized gains and losses on temporal translation have been recorded as foreign exchange loss (gain) which is a non-cash item. In the consolidated financial statements, the Company has translated consolidated accounts from Canadian dollars to US dollars, using the Current Rate Method in accordance with the guidance of the Emerging Issue Committee (EIC) 130, *Change in the Reporting Currency*, as follows: assets and liabilities are converted at the rate of exchange in effect at the applicable balance sheet date and revenues and expense items are converted at the average rates for the period. Unrealized gains and losses resulting from the translation are accumulated in a separate component of the shareholders' equity and described as a Cumulative Translation Adjustment which is a non-cash item.

(h) Stock Based Compensation

The Company follows the Canadian Institute of Chartered Accountants (CICA) 3870 "Stock-Based Compensation and Other Stock-Based Payments." Under this standard, all stock option awards require the application of the Fair Value Method. CICA 3870 provides alternative methods of transition for the adoption of the Fair Value Method, and as permitted, the Company has elected the prospective application method, which allows the Fair Value Method to be applied to awards granted, modified or settled on or after January 1, 2003 to employees, directors and consultants.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

2. Significant Accounting Policies (continued)

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the market price of the Company's common shares and an expected life of the options. The fair value of direct awards of shares is determined by the quoted market price of the Company's stock.

(i) Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share is equal to the basic loss per share because common share equivalents consisting of warrants and options to acquire common shares that are outstanding at September 30, 2007 are anti-dilutive; however, they may be dilutive in the future.

(j) Income Taxes

The Company follows the Liability Method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to be eliminated.

(k) Asset Retirement Obligations

The Company follows CICA 3110 "Asset Retirement Obligations," requiring that the fair value of liabilities for asset retirement obligations be recognized in the year in which they are incurred. A corresponding increase to the carrying amount of the related asset, where one is identifiable, will be recorded and amortized over the life of the asset, using a systematic and rational method. Subsequent to initial measurement, the asset retirement obligations are adjusted to reflect year-to-year changes in liability.

(l) Revenue Recognition

Interest income on cash and cash equivalents and short-term investments is recognized on an accrual basis.

3. Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents are comprised mainly of Canadian dollar denominated cash of \$18,876,159 (September 30, 2006 – \$6,891,924).

Short-term investments were nil at September 30, 2007 (September 30, 2006 - \$13,993,919 with a weighted average interest rate of 3.56% per annum).

The fair market value of the Company's cash and short-term investments approximates their carrying values at September 30, 2007 and 2006.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

4. Mineral Interests and Engineering and Exploration Costs

a. Mineral Interests:

On June 10, 2001, the Company entered into a Cooperative Joint Venture Agreement with Liaoning Aidi Resources Company Ltd. (“Aidi”), a company incorporated under the Business Law of Liaoning Province, China and formed the Liaoning Tianli Mining Company Limited Joint Venture (“TJV”). Pursuant to the Cooperative Joint Venture Agreement, the Company is required to fund all work on the mining project (“Maoling Project”).

The Company has satisfied its obligations under the Cooperative Joint Venture Agreement. At September 30, 2007, the cumulative registered capital contributions amounted to \$2,780,000 (September 20, 2006 - \$2,780,000). In addition, the Company had advanced loans in cash of \$789,200 and loans in kind of \$11,432,228.

On August 31, 2005, the TJV’s business license was not renewed by the authorities in Liaoning. Management has received no explanation for the delay, and the Company is in communication with the appropriate government authorities for the renewal of this license. The renewal of this license has taken longer than anticipated.

Under Chinese mining laws and regulations, exploration licenses have a three year term and have two two-year extensions. The TJV’s exploration license for Maoling expired on November 5, 2005, at the end of the first two-year extension. The Ministry of Land and Resources of China deferred the grant of the exploration license to the TJV pending the renewal of the business license.

b. Engineering and Exploration Costs

The Company follows the practice of expensing all exploration costs until a production decision is made for putting the deposit into production. Mineral Exploration and Feasibility Study costs incurred in the first nine months of 2007 amounted to \$1,033,372 (for the nine months ended September 30, 2006 - \$2,665,461) and are detailed as follows:

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

4. Mineral Interests and Engineering and Exploration Costs (continued)

	3 MONTHS ENDED		9 MONTHS ENDED	
	Sept 30, 2007	Sept 30, 2006	Sept 30, 2007	Sept 30, 2006
Mineral Exploration				
Drilling related and Storage costs	\$879	\$1,308	\$9,223	\$117,308
Assaying and analytical costs	524	-	7,033	37,223
Property evaluation and (exchange gain)	(2,083)	-	60,000	-
Technical services and project management	35,141	102,083	145,188	143,486
Amortization	3,700	7,517	22,096	22,552
Shipping, travel, office and all other costs	7,760	65,393	98,553	126,181
Feasibility Study				
Project management	23,475	463,477	83,923	1,100,679
Assaying and analytical	1,860	29,095	2,670	215,296
Resource evaluation	6,105	6,726	6,105	28,233
Mine engineering	133,793	161,653	394,231	498,621
Environment and social impact assessment ("ESIA") Study	33,927	138,867	204,350	360,362
Others	-	-	-	15,520
TOTAL	\$245,081	\$976,119	\$1,033,372	\$2,665,461

The Feasibility Study costs include fees paid to engineering consultants and others retained for services of a geological, metallurgical, environmental, and geotechnical nature. The Feasibility Study commenced in September 2005 with the appointment of an integrated engineering team. With the formation of a team to complete the Feasibility Study, the Company entered into engineering consulting agreements with certain key contractors whose work was estimated to cost \$4,170,000. The contracts allow for earlier cancellation without termination cost by one month's notice if the Company, after assessment of its business needs, finds that the work is no longer required.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

5. Equipment and Vehicles

	September 30, 2007	December 31, 2006
Cost:		
Computers	\$ 91,403	\$ 70,002
Furniture and fixtures	35,463	29,691
Office equipment	138,255	110,171
Vehicles	177,523	151,544
Leasehold improvements	39,628	56,530
	482,272	417,938
Less: Accumulated amortization	(269,373)	(200,267)
Net book value	\$ 212,899	\$ 217,671

6. Share Capital

(a) **Authorized: Unlimited number of common shares without par value.**

(b) **Issued and fully paid common shares:**

	Shares	Amount
Balance at December 31, 2006	38,514,061	\$ 35,954,791
Issued pursuant to exercise of stock options	130,000	142,500
Fair value of stock options exercised	-	60,529
Balance at September 30, 2007	38,644,061	\$ 36,157,820

(c) **Exchange Rate**

The option prices referred to in note 6(d) are principally and contractually denominated in Canadian dollars. The prices have been translated to US dollars at the following exchange rates for the purpose of presenting the respective fiscal quarters:

- For Q3 2006 at C\$1 = US\$0.8956, the exchange rate on September 30, 2006
- For Q2 2007 at C\$1 = US\$0.8514 and US\$0.8854, the exchange rates on the dates of grant
- For Q3 2007 at C\$1 = US\$0.9769, the exchange rate on the date of grant

(d) **Stock Options**

In March 2005, the Company amended and restated its Stock Option Plan (“the Plan”) whereby the maximum number of shares issuable under the Plan is a rolling number equal to 15% of the issued and outstanding common shares from time to time and also provided that no more than 7,000,000 common shares will be available under the Plan without the Company first obtaining shareholder approval.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

6. Share Capital (continued)

In the nine months ended September 30, 2007, the Company granted stock options to purchase an aggregate of 1,945,000 common shares, to directors, employees, and consultants with exercise price ranging from \$0.68 (C\$0.70) to \$1.41 (C\$1.66) per share, which equal the respective market prices at the time of grant. Of these options, 1,020,000 stock options are vested, the balance will vest only upon completion of certain performance targets. All stock options granted will expire two or five years from the date of granting.

A summary of the status of options granted under the Company's plans as at September 30, 2007 and December 31, 2006 and the changes during the nine months then ended are as follows:

	Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2006	4,411,000	\$ 1.75
Granted	1,945,000	\$ 1.14
Exercised	(130,000)	\$ 1.10
Cancelled	(637,500)	\$ 1.66
Options outstanding at September 30, 2007	5,588,500	\$ 1.58

As disclosed in Note 2(h), the Company adopted prospectively the fair value method of accounting for stock-based compensation granted to employees and others. Under this method, the Company charged \$1,680,272 in the first nine months of 2007 (2006 - \$1,413,323) of stock based compensation to operations with offset credit to contributed surplus.

Option Outstanding Range of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$0.68	675,000	4.98	\$ 0.68	-	\$ 0.68
\$1.07-\$1.41	2,313,500	2.67	\$ 1.29	2,213,500	\$ 1.30
\$1.59-\$1.78	565,000	3.77	\$ 1.73	431,667	\$ 1.73
\$2.02-\$2.40	1,935,000	3.15	\$ 2.14	1,274,990	\$ 2.07
\$2.61	100,000	2.46	\$ 2.61	100,000	\$ 2.61
	5,588,500	3.23	\$ 1.58	4,020,157	\$ 1.62

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

6. Share Capital (continued)

The weighted average fair values of the options granted in first nine months of 2007 and in fiscal year 2006 were estimated at \$0.72 (C\$0.81) and \$1.08 (C\$1.31) respectively, by using the *Black-Scholes Option Pricing Model* with the following weighted average assumptions:

	September 30, 2007	December 31, 2006
Risk-free interest rate	4.1%	4.0%
Dividend yield	0.00%	0.00%
Price volatility	77%	67%
Expected lives (in years)	5	5
Number of common shares	1,945,000	2,055,000
Grant / Exercise price	\$1.13	\$1.93
Calculated fair value per share	\$0.72	\$1.14

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

(e) Warrants outstanding as at September 30, 2007:

Number of Warrants	Exercise Price Per Warrant	Expiry Date
4,250,000	\$3.43	October 5, 2007
425,000	\$2.53	October 5, 2007
4,675,000		

Each whole warrant entitles the holder to acquire one common share of the Company.

As disclosed in Note 2(h), the Company adopted the fair value method of accounting for stock-based compensation granted to employees and others. The fair value method was also applied to warrants granted to the underwriters in the public offering in October 2005. Under this method, in 2005 the Company charged \$308,246 as the fair value of the 425,000 warrants (exercise price \$2.53 (C\$2.95) per share) to stock based compensation of operations with offset credit to contributed surplus. With respect to the warrants attached to the unit financing in October 2005, the Company credited \$2,123,527 as the fair value to Warrants with offset to share capital. After the third quarter, these warrants expired unexercised.

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

6. Share Capital (continued)

(f) Contributed Surplus

Balance, December 31, 2006	\$2,957,833
Amount expensed in the period	1,680,272
Amount exercised in the period	(60,529)
Balance, September 30, 2007	\$4,577,576

The stock-based compensation charged to the consolidated statements of operations and deficit during the period consists of the following:

	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Stock options granted (Note 6(d))	\$ 1,680,272	\$ 1,413,323
Warrants issued (Note 6(e))	-	-
	\$ 1,680,272	\$ 1,413,323

7. Related Party Transactions

During the current period, there was no related party transaction. In same period of 2006, the Company was related to other companies through common directors or officers and paid the following fees according to pre-established contracts for services provided in the normal course of business.

	3 Months Ended Sept 30, 2006	9 Months Ended Sept 30, 2006
Geological / Project management services	\$ 131,252	\$ 143,063
Management fees	255,728	295,342
Total	\$ 386,980	\$ 438,405

8. Contingencies and Commitments

(a) Office Lease

The Company has signed a lease for office space in Vancouver for a term of up to six years ending June 30, 2013. The Company also has signed a lease for office space in Beijing, China for a term of up to two years ending on March 14, 2008. The Company pays base rent and its proportionate share of the operating costs. The obligations remaining under these leases are as follows:

	Vancouver	Beijing	Total
2007	\$21,698	\$14,005	\$35,703
2008	86,792	14,005	100,797
2009	86,792	-	86,792
2010	89,266	-	89,266
2011	91,741	-	91,741
and thereafter	137,612	-	137,612
Total	\$513,901	\$28,010	\$541,911

MUNDORO MINING INC.

Notes to Consolidated Financial Statements

September 30, 2007

(Unaudited and expressed in United States Dollars – except as noted otherwise)

8. Contingencies and Commitments (continued)

(b) Consulting Contracts and Employment Agreements

The Company has entered into agreements with four of its senior officers through which in the event of a defined change of control and under certain circumstances, the Company may be liable for termination fees and salaries. The total maximum obligation under these agreements is \$1,095,637.

9. Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of the judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

10. Geographical Information

The Company's business is considered as operating in one segment and the geographical division of the total assets of the Company is as follows:

	Sept 30, 2007	Sept 30, 2006
Canada	\$19,215,038	\$ 21,555,856
China	132,685	142,766
	\$19,347,723	\$ 21,698,622

11. Comparative Figures

Certain 2006 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2007.