mundoro mining inc.

Management Discussion and Analysis
For the Fiscal Quarter Ended March 31, 2008

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
For the Quarter Ended March 31, 2008
May 12, 2008

The following discussion and analysis is to be read in conjunction with the unaudited Consolidated Financial Statements for March 31, 2008 and March 31, 2007 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 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.

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

1. DESCRIPTION OF BUSINESS & SUMMARY OF RECENT ACTIVITIES

Mundoro Mining Inc. (the "Company"), a BC registered company, is involved in the exploration and development of mineral resource properties. Mundoro entered China in 1997. The Company's focus is the feasibility stage Maoling Gold Project ("Maoling") in Liaoning Province, China. In 2001 the Company was invited by a central government invitation for tenders, to make a proposal to help 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 renewal of the exploration license for Maoling has been deferred since November 2005 pending the renewal of a business license for Mundoro Mining's joint venture company, Liaoning Tianli Mining Company Ltd. Mundoro Mining and its partner, Liaoning Aidi Resources Company Limited, have undertaken a strategy of engagement and building awareness with a wide range of government agencies in order to resolve the issue.

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 technical team of Chinese and international 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

* estimate includes Measured Resource of 4 million tones grading 1.31 grams gold per tonne

Feasibility Study & Environmental and Social Impact Assessment

Work on the Feasibility Study has been substantially completed apart from some fieldwork and final cost estimation that awaits the business license renewal. The western engineering companies engaged on the feasibility work are: Golder Associates ("Golder") for resource modeling and estimation, mine and tailings facility design, hydrology and geotechnical studies; and Ausenco International Pty Ltd. ("Ausenco"), for managing the overall feasibility study and for process design and engineering. The Company has streamlined the ESIA process by retaining 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 engaged to complete the Chinese feasibility work.

Because of the delays in the renewal of the joint venture company's business license, certain portions of the feasibility study, such as geotechnical drilling for the final pit slope design in Zone 1 and final Chinese cost estimations, cannot be completed at this stage. It is anticipated that once the joint venture company's business license has been renewed, Mundoro will complete the remaining engineering work needed to produce a feasibility study that will be NI 43-101 compliant and will complete a full ESIA for Maoling.

Licensing & Government Relations

To counter historical misconceptions regarding the project and the technical abilities of the Company, Mundoro continues to document and convey the economic and environmental merits of the Maoling Gold Project to the county, municipal, provincial and national levels of the 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 completed for the Feasibility Study and the preparatory material for the completion of a full ESIA.

The Company continues to advocate the benefits of development of a modern mine at Maoling which will serve as a showcase in modern mine management methods including environmental protection.

Community Relations

Mundoro has a continuing community development program in the area of its Maoling Gold Project. 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 including basic sanitation, the provision of fresh water, local medical service improvements, as well as assistance in scholastic and professional development.

Beginning in 2007, Mundoro began implementation of a plan to donate RMB 1.2 million, to be spent over a three year period to fund educational, health and sanitation development in Gaizhou County. The Company spent over RMB 160,000 in 2007 and plans to continue this commitment for the remainder of 2008 as part of the donation program.

Sustainable 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.

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 carried out 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. Outlook

The Company continues to be focused on the renewal of the business license and advancing the technical and environmental studies as well as the community relations work for the Maoling Gold Project. Although there has been a long delay in renewing the business license of Tianli, the Company's joint venture in China, management continues to believe the strategy undertaken of engagement and building awareness with a wide range of government agencies in order to resolve the issue, will provide a positive outcome.

To augment the corporate strategy of developing Maoling, Mundoro undertook a plan of arrangement in the beginning of the year which was approved at the Company's Annual General and Special Meeting on April 11, 2008. As a result of the completion of the plan of arrangement on April 16, 2008, Mundoro Mining became a wholly owned subsidiary of a newly formed entity, Mundoro Capital Inc., which is now trading on the Toronto Stock Exchange under the ticker symbol "MUN". Mundoro Capital will carry on the business of a mineral exploration, development and investment company. The ownership of Mundoro Mining as a wholly-owned subsidiary remains the largest and key asset of Mundoro Capital which will continue with the business strategy of Mundoro Mining to develop the Maoling Gold Project. Mundoro Capital will also evaluate and invest in resource assets or companies in the natural resources field, which can create value for Mundoro Capital and its shareholders, using management's years of specialized experience in the capital markets focused on evaluating exploration and production assets, resource investment opportunities and structuring unique transactions for investments in the resource sector.

3. Financial Highlights

- The Company's consolidated income and comprehensive income for the quarter was $443,320 or $0.01 per share compared with a net loss of $(2,303,332) or $0.18 per share for the previous quarter. The net income is attributable to:
    I. expending $174,460 on the Engineering and Exploration costs;
    II. expending $656,775 on corporate expenses;
    III. gaining $1,112,582 on other non-cash accounting items; and
    IV. earning interest income of $ $161,973.
- The Company ended the quarter with $17,266,417 in cash with no long term debt.

4. Summary Of Quarterly Results

(000's US$)	**Q1/08**	**Q4/07**	**Q3/07**	**Q2/07**	**Q1/07**	**Q4/06**	**Q3/06**	**Q2/06**
Interest income	$162	$209	$264	$179	$204	$216	$214	$220
Engineering & Exploration costs	(174)	(234)	(245)	(425)	(363)	(561)	(976)	(1,162)
Corporate Expenses (1)	(657)	(667)	(583)	(736)	(579)	(686)	(1,059)	(690)
Other Expenses (2)	1,113	94	(326)	(1,664)	(1,565)	(106)	(692)	(185)
Income (Loss) and comprehensive income (loss) for the period	443	(598)	(890)	(2,646)	(2,303)	(1,137)	(2,513)	(1,817)
Income (Loss) and comprehensive income (loss) per share, basic and fully diluted	$0.01	($0.02)	($0.02)	($0.07)	($0.06)	($0.03)	($0.07)	($0.05)

(1) Corporate Expenses include: accounting and audit, corporate development, corporate governance, 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).

5. RESULT OF OPERATIONS

	Quarter ended March 31, 2008		Quarter ended March 31, 2007
Interest Income	$ 161,973		$ 204,202
Engineering and Exploration Costs	174,460		363,164
Corporate Expenses			
Accounting and Audit	118,282		116,831
Corporate Communication & Marketing	118,081		95,441
Corporate Development	82,074		15,287
Corporate Governance	84,438		96,014
Government & Community Relations	144,637		154,711
General and Administrative	109,263		101,154
Total Corporate Expenses	**656,775**		**579,438**
Other Expenses			
Amortization	4,920		9,451
Foreign exchange loss/(gain)	(1,286,877)		49,089
Stock-based compensation	169,375		1,506,392
Total Other Expenses	**(1,112,582)**		**1,564,932**
Income (loss) and comprehensive income/(loss) for the period	**443,320**		**(2,303,332)**
Income (loss) and comprehensive income (loss) per share, basic and fully diluted	**$0.01**		**$(0.18)**
Total Assets	17,384,355		18,594,730
Total Long Term Liabilities	Nil		Nil
Cash Dividends per share	Nil		Nil

Three months ended March 31, 2008 compared to the three months ended March 31, 2007

- The Company's corporate expenses for the quarter were $656,775 which increased from the previous quarter of $579,438 primarily due to: the exchange rate gains between the US and Canadian dollar and the one time expenses during the quarter for employee termination and implementation of the plan of arrangement that was approved by shareholders subsequent to the quarter end in April 2008.
- The income in this quarter is $443,320 compared to a loss of $1,564,932 for the previous quarter. The change from a loss in the previous quarter to income in this quarter is primarily due to an increase in non-cash accounting items (shown as Other Expenses in the table above). The non-cash accounting items increased due to the foreign exchange gain which is a non-cash adjustment due to the increase in the Canadian dollar against the Chinese renminbi and increase in the US dollar against the Canadian dollar.
- Income from interest in the quarter decreased to $161,973 compared with $204,202 for the previous quarter, due a decrease in the cash and marketable securities from the previous quarter.
- Engineering and exploration costs for the quarter were $174,460 compared with $363,164 during the previous quarter, reflecting the substantial completion of work on the Feasibility Study in 2007.

6. Feasibility Study and Mineral Exploration Activities

The Feasibility Study, which commenced in September 2005, has cost $3,361,234 to-date under Ausenco's supervision as project manager. The Environmental & Social Impact Assessment study has accumulated costs of $982,157 to date.

7. Financial Condition, Liquidity And Capital Resources

The Company considers it has sufficient funds to cover all current commitments and complete the Feasibility Study at Maoling and a full ESIA plus any other related costs leading up to a production decision. Additional funds 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 ongoing business operations. Further cash resources may become available through the exercise of outstanding options, which would contribute $8,959,860 to the Company's treasury should they all be exercised.

The Company's principal source of liquidity as at March 31, 2008 is cash of $17,266,417 (March 31, 2007 – $18,492,842 cash, cash equivalents and short term investments).

The Company has no long term debt.

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.

9. Annual Information Form

The Company's Annual Information Form ("AIF") was filed with the British Columbia, Alberta and Ontario securities commissions on March 12, 2008, 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 fiscal year, 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 annual report. These are more fully described in the Company's AIF, and include but are not limited to:

Property Rights, Permits, Licenses and Approvals - In general all mining projects in China require government approval. At the exploration stage, the primary licenses under which a joint venture operates are a business license and an exploration license. As previously disclosed, the Company's Joint Venture 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. There can be no certainty that other licenses or permits or approvals required to develop the Maoling Gold Project will be granted in a timely manner, or at all.

Unknown Title Defects – A legal title opinion, in the fourth quarter of 2005, was rendered on the Maoling Property that supports the Company's position; however, there is no guarantee that challenges to title will not be made in the future.

Risks Related to China – All of the Company's projects are located in China. 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. 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.

Exploration, Development and Uninsurable Risks – The mineral exploration and development business carries a number of significant risks including, among 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.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

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. As well, 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. 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. 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. China is strengthening its environmental protection legislation and enforcement of its regulations. There is no assurance that future environmental regulations will not adversely affect the Company's operations.

Limited History of Operations – The Company is a mineral exploration and development company and has no history of, or current cash flow, revenues and earnings. The Company's reserves and resources are estimates and may be greater or less than the actual reserves and resources. If the Company cannot execute its business model and growth strategy, it may result in a material and adverse effect on the Company's profitability, results of operation and financial conditions.

The Company 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. 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.

Price Volatility – In recent years, the securities markets in the United States and Canada 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 the Company in creating revenues, cash flows or earnings. The value of the Company's common shares will be affected by such volatility.

Changes in Market Price of Commodities – The Company's revenues, if any, are expected to be in large part derived from the sale of gold. The price of which fluctuates widely 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 the Company's exploration projects that are impossible to predict.

Foreign 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. 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 for resource investments and experienced management professionals; 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 forward looking statements whether as a result of new information, future events or otherwise.

Consolidated Financial Statements
For the Fiscal Quarter Ended March 31, 2008

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

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

MUNDORO MINING INC.
(an exploration stage company)

Consolidated Balance Sheets (Unaudited)
March 31, 2008 and December 31, 2007

(Expressed in United States Dollars)

ASSETS	March 31, 2008	December 31, 2007
Current assets		
Cash and cash equivalents (Note 3)	$ 17,266,417	$ 18,374,368
Accounts receivable	48,123	127,391
Prepaid expenses and deposits	69,815	92,971
	17,384,355	**18,594,730**
Mineral interests (Note 4)	100	100
Equipment and vehicles (Note 5)	141,870	178,975
Total Assets	**$ 17,526,325**	**$ 18,773,805**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 125,236	$ 245,151
Contingencies and Commitments (Note 8)		
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	36,157,820	36,157,820
Contributed surplus (Note 6 (d))	6,996,295	6,826,920
Deficit	(29,009,503)	(29,452,823)
Accumulated other comprehensive income	3,256,477	4,996,737
Total Shareholders' Equity	17,401,089	18,528,654
Total Liabilities and Shareholders' Equity	**$ 17,526,325**	**$ 18,773,805**

Nature of operations (Note 1)

Approved by the Directors:

"Patrick Downey" Patrick Downey

"Robert van Doorn" Robert van Doorn

MUNDORO MINING INC.
(an exploration stage company)

Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit (Unaudited)
Three Months Ended March 31, 2008 and 2007

(Expressed in United States Dollars)

	March 31, 2008	March 31, 2007
Interest income	$ 161,973	$ 204,202
Engineering and exploration costs (Note 4)	174,460	363,164
Expenses		
Accounting and audit	118,282	116,831
Corporate communication and marketing	118,081	95,441
Corporate development	82,074	15,287
Corporate governance	84,438	96,014
Government and community relations	144,637	154,711
General and administrative	109,263	101,154
	656,775	579,438
Loss before Other Expenses	(669,262)	(738,400)
Other Expenses		
Amortization	4,920	9,451
Foreign exchange loss (gain)	(1,286,877)	49,089
Stock based compensation (Note 6(c) and Note 6(d))	169,375	1,506,392
	(1,112,582)	1,564,932
Income (Loss) and comprehensive income/(loss) for the period	**443,320**	**(2,303,332)**
Deficit, beginning of period	(29,452,823)	(23,015,695)
Deficit, end of period	$ (29,009,503)	$ (25,319,027)
Income (Loss) and comprehensive income (loss) per basic share	$ 0.01	$ (0.18)
Weighted average shares outstanding:		
Basic	38,644,061	38,594,394

MUNDORO MINING INC.

(an exploration stage company)

Consolidated Statements of Cash Flows (Unaudited)

Three Months Ended March 31, 2008 and 2007

(Expressed in United States Dollars)

	March 31, 2008	**March 31, 2007**
Cash flows used in operating activities		
Income (loss) and comprehensive income (loss) for the period	$ 443,320	$ (2,303,332)
Adjustments for items not involving cash:		
- amortization	12,351	19,354
- stock-based compensation	169,375	1,506,392
	625,046	(777,586)
Change in non-cash working capital:		
- Accounts receivables	79,268	(7,133)
- Prepaid expenses and deposits	23,156	39,478
- Accounts payable and accrued liabilities	(119,915)	(225,281)
	607,555	(970,522)
Cash flows from financing activities		
Proceeds from issuance of shares	-	121,100
	-	121,100
Cash flows provided by investing activities		
Acquisition/disposals of equipment, net	(547)	(13,148)
	(547)	(13,148)
Effect of exchange rate changes on cash and cash equivalents	(1,714,959)	224,670
Decrease in cash and cash equivalents	(1,107,951)	(637,900)
Cash and cash equivalents, beginning of period	18,374,368	19,130,742
Cash and cash equivalents, end of period	$ 17,266,417	$ 18,492,842

1. Nature of Operations

Mundoro Mining Inc. (the "Company" or "Mundoro Mining") 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. Accounting Policies

The consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles and 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 the profit sharing and working interest. As at March 31, 2008, 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 that of Mundoro Mining Corporation ("MMC"), a wholly-owned subsidiary incorporated on April 18th, 2006 in the British Virgin Islands. Inter-company accounts and transactions have been eliminated.

The disclosures provided below are incremental to those included with the annual audited consolidated financial statements. These interim financial statements should be read in conjunction with the financial statements and notes disclosed in the Company's annual report for the year ended December 31, 2007. The interim financial statements have consistently followed the same accounting policies as the financial statements for the year ended December 31, 2007, except the following CICA Standards of (b) and (c) that the Company adopted effective January 1, 2008:

(a) Use of Estimates, Mineral Interests, Equipment and Vehicles, Foreign Currency Translation, Stock Based Compensation, Basic and Diluted Earnings (Loss) Per Share, Income Taxes, Asset Retirement Obligations and Revenue Recognition

A full description of these accounting policies, which remain unchanged, is set forth in the Company's audited financial statements and notes for the year ended December 31, 2007.

(b) Capital Disclosures

Handbook Section 1535 "Capital Disclosures" requires disclosure about the Company's objectives, policies and process for managing capital, the nature of externally imposed capital requirements, how the requirements have been complied with, or consequences of non-compliance and an explanation of how the Company is meeting its objectives for managing capital. In addition, quantitative disclosures regarding capital are required.

2. Accounting Policies (continued)

(c) Financial Instruments – Disclosure and Presentation

Handbook Section 3862 "Financial Instruments – Disclosure" and Handbook Section 3863 "Financial Instruments – Presentation" replace Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks.

3. Cash and Cash Equivalents and Short-Term Investments

Cash and cash equivalents are comprised mainly of Canadian dollar denominated cash and cash equivalent balances of $17,266,417 (March 31, 2007 – $9,209,812).

Short-term investments were nil at March 31, 2008 (March 31, 2007 - $9,283,030 with a weighted average interest rate of 4.81% per annum).

The fair market value of the Company's cash and short-term investments approximates their carrying values at March 31, 2008 and 2007.

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 March 31, 2008, the cumulative registered capital contributions amounted to $2,780,000 (March 31, 2007 - $2,780,000). In addition, the Company had advanced loans in cash of $789,200 and loans in kind of $12,329,986.

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.

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

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

b. Engineering and Exploration Costs

The Company follows the practice of expensing all exploration costs until mineral reserves have been firmly established and a mining permit issued. Engineering and Exploration Costs incurred in the first three months of 2008 amounted to $174,460 (for the quarter ended March 31, 2007 - $363,164) and are detailed below:

	March 31, 2008	March 31, 2007
Engineering and Exploration Costs		
Engineering	$120,017	$246,835
Environmental	26,898	16,284
Geological	27,545	100,045
	$174,460	$363,164

The Feasibility Study costs include fees paid to engineering consultants and others retained for services of an engineering, metallurgical, and geotechnical nature. The environmental costs include fees paid to consultants for the environment and social impact assessment ("ESIA") study and other environmental studies completed. The Geological costs include fees paid for services of geological nature.

5. Equipment and Vehicles

	March 31, 2008	March 31, 2007
Cost:		
Computers	$ 91,731	$ 72,479
Furniture and fixtures	35,590	30,555
Office equipment	138,750	119,058
Vehicles	178,159	152,957
Leasehold improvements	40,439	57,057
	484,669	432,106
Less: Accumulated amortization	(342,799)	(220,641)
Net book value	$ 141,870	$ 211,465

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
Reclassification of contributed surplus on exercise of options		60,529
Balance at December 31, 2007 and March 31, 2008	38,644,061	$ 36,157,820

Exchange Rate

The option prices referred to in notes 6(c) to 6(e) 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 Q1 2007 at C$1 = US$0.85, the exchange rate on the date of grant
- For Q1 2008 at C$1 = US$1.00, the exchange rate on the date of grant

(c) Stock Options (see note 12 below)

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.

On February 6, 2008, the Company granted 100,000 stock options ("options") to a consultant at $0.90 (C$0.90) per share, which equals the respective market price at the time of grant. The options have not vested and will vest upon completion of performance targets.

A summary of the status of options granted under the Company's plans as at March 31, 2008 and December 31, 2007 and the changes during the three months then ended are as follows:

	Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2007	5,668,500	$ 1.57
Granted	100,000	$ 0.90
Exercised	-	-
Cancelled	(25,000)	$ 1.65
Options outstanding at March 31, 2008	5,743,500	$ 1.55

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

6. Share Capital (continued)

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 $169,375 in the first three months of 2008 (2007 - $1,506,392) 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
$0.00-$1.01	980,000	3.83	$ 0.73	5,000	$ 0.62
$1.01-$1.50	1,973,500	2.36	$ 1.31	1,973,500	$ 1.31
$1.51-$2.00	765,000	3.47	$ 1.69	732,000	$ 1.69
$2.01-$2.50	1,925,000	2.65	$ 2.14	1,264,990	$ 2.07
$2.51-$3.00	100,000	1.96	$ 2.61	100,000	$ 2.61
	5,743,500	2.85	$ 1.56	4,075,490	$ 1.64

The weighted average fair values of the options granted in first three months of 2008 and in fiscal year 2007 were estimated at $0.35 (C$0.35) and $0.67 (C$0.75) respectively, by using the *Black-Scholes Option Pricing Model* with the following weighted average assumptions:

	March 31, 2008	**December 31, 2007**
Risk-free interest rate	3.08%	4.15%
Dividend yield	0.00%	0.00%
Price volatility	105.45%	71.32%
Expected lives (in years)	0.9	4.55
Number of common shares	100,000	2,350,000
Grant / Exercise price	$0.90	$1.15
Calculated fair value per share	$0.35	$0.67

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.

(d) Contributed Surplus

Balance, December 31, 2007	$6,826,920
Amount expensed in the period	169,375
Balance, March 31, 2008	$6,996,295

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

7. Related Party Transactions

On March 31, 2008, Tianli Mining Corporation, a wholly-owned inactive subsidiary of Mundoro Mining Corporation, (note 2(b)), which was registered in the British Virgin Islands, was disposed to an Officer of the Company at cost.

8. Contingencies and Commitments

(a) Office Lease

The Company has a lease for office space in Vancouver for a term of up to six years ending June 30, 2013. The Company also signed lease for office space in Beijing, China for a one year term ending on March 20, 2009. 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
2008	\$67,158	\$19,122	\$86,280
2009	89,544	6,374	95,918
2010	92,098	-	92,098
2011	94,651	-	94,651
2012	94,651	-	94,651
and thereafter	47,325	-	47,325
Total	\$485,427	\$25,496	\$510,923

9. Geographical Information

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

	March 31, 2008	March 31, 2007
Canada	\$17,423,905	\$ 18,821,817
China	93,420	129,069
	\$17,517,325	\$ 18,950,886

10. Management of Capital Risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties.

In the management of capital, the Company includes the components of shareholders' equity and cash and cash equivalents.

10. Management of Capital Risk (continued)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash, cash equivalents and marketable securities.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through the current operating period.

11. Management of Financial Risk

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

(a) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and China and a portion of its expenses are incurred in Chinese Yuan (Renminbi) and US dollars, while the financial reporting currency is in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar and Chinese Yuan could have an effect on the Company's result of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

	March 31, 2008	**December 31, 2007**
Amount on deposit denominated in Canadian dollar	$12,513,968	$ 13,365,728
Amount on deposit denominated in Chinese yuan	2,417	106

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Of the cash of $17,266,417 at March 31, 2008 ($18,374,368 at December 31, 2007), $17,217,855 is held through a large financial institution (December 31, 2007 - $18,328,109).

11. Management of Financial Risk (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in note 10. Accounts payable are due within the current operating period.

12. Subsequent Events

The Company completed a Plan of Arrangement on April 16, 2008 after having received approvals from its shareholders and the BC Supreme Court in April 2008. Mundoro Mining is now a wholly-owned subsidiary of Mundoro Capital Inc. ("Mundoro Capital"), a company incorporated in March 2008. The shareholders of Mundoro Capital immediately following the Arrangement are identical to the Mundoro Mining shareholders immediately before the Arrangement and each Mundoro Capital shareholder will, continue to indirectly own the same proportionate of equity interest in all of the assets held by Mundoro Mining through their ownership of Mundoro Capital shares. Trading of the shares at Toronto Stock Exchange in the name of Mundoro Capital in substitution for Mundoro Mining has been approved and commenced April 23, 2008.

13. Comparative Figures

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.