MUNDORO CAPITAL

Consolidated Financial Statements and Notes
For the Fiscal Quarter Ended September 30, 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 Capital INC.
(an exploration stage company)

Consolidated Balance Sheets (Unaudited)
Sept 30, 2008 and December 31, 2007

(Expressed in United States Dollars)

ASSETS		Sept 30, 2008		Mundoro Mining Inc. (prior to incorporation of Mundoro Capital Inc.) December 31, 2007
Current assets				
Cash and cash equivalents (Note 3)	$	15,793,789	$	18,374,368
Accounts receivable		31,169		127,391
Prepaid expenses and deposits		191,414		92,971
		16,016,372		**18,594,730**
Mineral interests (Note 4)		100		100
Equipment and vehicles (Note 5)		105,787		178,975
Total Assets	**$**	**16,122,259**	**$**	**18,773,805**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	98,530	$	245,151
Contingencies and Commitments (Note 7)				
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		36,107,563		36,157,820
Contributed surplus (Note 6 (e))		7,027,989		6,826,920
Deficit		(26,874,810)		(29,452,823)
Accumulated other comprehensive (loss) income		(237,013)		4,996,737
Total Shareholders' Equity		16,023,729		18,528,654
Total Liabilities and Shareholders' Equity	**$**	**16,122,259**	**$**	**18,773,805**

Nature of operations (Note 1)

Approved by the Directors:

"Patrick Downey" "Robert van Doorn"
Patrick Downey Robert van Doorn

MUNDORO Capital INC.
(an exploration stage company)

Consolidated Statements of Income (Loss), Comprehensive Income (Loss) and Deficit (Unaudited)
Nine Months Ended Sept 30, 2008 and 2007

(Expressed in United States Dollars)

	3 months Ended Sept 30, 2008	Mundoro Mining Inc. (prior to incorporation of Mundoro Capital Inc.) 3 months Ended Sept 30, 2007	9 months Ended Sept 30, 2008	Mundoro Mining Inc. (prior to incorporation of Mundoro Capital Inc.) 9 months Ended Sept 30, 2007
Interest & miscellaneous income	$ 88,247	$ 263,891	$ 372,234	$ 647,362
Engineering and exploration costs (Note 4)	106,600	245,081	375,098	1,033,372
Expenses				
Accounting and audit	37,072	70,787	224,077	282,623
Corporate communication and marketing	84,185	82,289	294,900	288,840
Corporate development	71,153	18,298	277,909	58,096
Corporate governance	41,380	66,194	220,006	278,633
Government and community relations	45,691	242,144	235,942	627,340
General and administrative	90,882	103,578	287,645	363,453
	370,363	583,290	1,540,479	1,898,985
Loss before Other Expenses	(388,716)	(564,480)	(1,543,343)	(2,284,995)
Other Expenses				
Amortization	4,677	11,612	14,263	29,425
Foreign exchange loss (gain)	(2,895,324)	176,192	(4,336,688)	1,844,649
Stock based compensation (Note 6(d) and Note 6(e))	31,694	137,680	201,069	1,680,272
	(2,858,953)	325,484	(4,121,356)	3,554,346
Income (loss) and comprehensive income (loss) for the period	**2,470,237**	**(889,964)**	**2,578,013**	**(5,839,341)**
Deficit, beginning of period	(29,009,503)	(27,965,072)	(29,452,823)	(23,015,695)
Deficit, end of period	$ (26,539,266)	$ (28,855,036)	$ (26,874,810)	$ (28,855,036)
Income (loss) and comprehensive income (loss) per basic share	$ 0.064	$ (0.023)	$ 0.067	$ (0.151)
Weighted average shares outstanding:				
Basic	38,593,661	38,644,061	38,627,138	38,621,973

MUNDORO Capital INC.
(an exploration stage company)

Consolidated Statements of Cash Flows (Unaudited)
Nine Months Ended Sept 30, 2008 and 2007

(Expressed in United States Dollars)

	3 months Ended Sept 30, 2008	Mundoro Mining Inc. (prior to incorporation of Mundoro Capital Inc.) 3 months Ended Sept 30, 2007	9 months Ended Sept 30, 2008	Mundoro Mining Inc. (prior to incorporation of Mundoro Capital Inc.) 9 months Ended Sept 30, 2007
Income (loss) and comprehensive income (loss) for the period	$ 2,470,237	$ (889,964)	$ 2,578,013	$ (5,839,341)
Adjustments for items not involving cash:				
- amortization	17,109	15,505	47,868	51,714
- stock-based compensation	31,694	137,680	201,069	1,680,272
	2,519,040	(736,779)	2,826,950	(4,107,355)
Change in non-cash working capital:				
- Accounts receivables	41,866	31,300	96,222	54,077
- Prepaid expenses and deposits	(43,209)	40,621	(98,443)	(33,818)
- Accounts payable and accrued liabilities	(140,711)	44,120	(146,621)	(213,283)
	2,376,986	(620,738)	2,678,108	(4,300,379)
Cash flows from financing activities				
Proceeds used to buy back shares	(50,257)	-	(50,257)	142,500
	(50,257)	-	(50,257)	142,500
Cash flows provided by investing activities				
Acquisition/disposals of equipment, net	(837)	(24,695)	(1,392)	(46,942)
	(837)	(24,695)	(1,392)	(46,942)
Effect of exchange rate changes on cash and cash equivalents	(3,415,369)	1,005,820	(5,207,038)	3,950,238
Increase (decrease) in cash and cash equivalents	(1,089,477)	360,387	(2,580,579)	(254,583)
Cash and cash equivalents, beginning of period	16,883,266	18,515,772	18,374,368	19,130,742
Cash and cash equivalents, end of period	$ 15,793,789	$ 18,876,159	$ 15,793,789	$ 18,876,159

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

1. Nature of Operations

Mundoro Capital Inc. (the "Company" or "MCI") is an exploration, development and investment company for the resources sector and was incorporated on March 6, 2008 under the Company Act of The Province of British Columbia. The Company was incorporated for the purpose of acquiring all shares of Mundoro Mining Inc. ("MMI") which is now a wholly owned subsidiary of the Company. Trading of the shares of the Company on the Toronto Stock Exchange commenced on April 23, 2008 in the name of Mundoro Capital Inc. in substitution for MMI. MMI was incorporated on January 10, 1997 under the Business Corporations Act of Yukon, Canada and is in the business of exploration and development of the Maoling Gold Property in China. On November 30, 2000, MMI registered as an extra-provincial company under the Company Act of the Province of British Columbia. Effective on June 14, 2005, MMI 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 ("Canadian GAAP") and include the accounts of the Company, MMI and MMI's 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 September 30, 2008, MMI's 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 18, 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 of MMI for the year ended December 31, 2007. These interim financial statements should be read in conjunction with the financial statements and notes disclosed in MMI'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 (d), (j) and (k) that the Company adopted effective January 1, 2008:

(a) 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.

(b) 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.

(c) 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

2. Accounting Policies (continued)

(d) Foreign Currency Translations

As of December 31, 2005, MMI adopted the U.S. dollar for financial reporting purposes. The reasons for the change from Canadian dollar to US dollar were as follows: major capital expenditures have been, and are expected to be, predominantly in US dollars; and future gold mining revenues are typically priced in US dollars. MMI translated 100% of Tianli's amounts from Chinese Renminbi yuan to Canadian dollars using the temporal method for consolidation with MMI's accounts, as follows: monetary items such as cash, accounts receivable, accounts payable and accrued liabilities 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 at the transaction's historical rate of exchange; and revenue and expense items at the average rate for the year. Any unrealized gains and losses using the temporal methods of translation have been recorded as foreign exchange loss/(gain) in MMI and Tianli's consolidated statement of operations and deficit. In MMI and Tianli's consolidated financial statements, MMI 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 at the rate of exchange in effect at the applicable balance sheet date and revenue and expense items at the average rate for the period. Unrealized gains and losses resulting from the translation are accumulated in a separate component of the shareholders' equity and described as an Accumulated Other Comprehensive Income in MMI and Tianli's consolidated balance sheet.

For reasons aforementioned, the Company uses the US dollar as its functional currency in its daily accounting records. All foreign currencies are translated to US dollars at the exchange rate in effect on the date of the transaction. Monetary items in foreign currencies in the balance sheet are translated to US dollars at the closing rate of exchange in effect at the applicable balance sheet date. All consequential unrealized gains and losses are recorded as foreign exchange loss/(gain) in the Company's statement of operations and deficit.

The Company's financial statements in US dollar are then consolidate into the consolidated financial statements of MMI and Tianli which have been converted to US dollars in accordance with EIC 130.

(e) 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.

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.

2. Accounting Policies (continued)

(f) 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 options to acquire common shares that are outstanding at September 30, 2008 are anti-dilutive; however, they may be dilutive in the future.

(g) 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.

(h) 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

(i) Revenue Recognition

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

(j) Capital Disclosures

CICA 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)

(k) Comprehensive Income and Equity, Financial Instruments and Hedges

The Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement, Section 3862 Financial Instruments – Disclosure, Section 3863 Financial Instruments – Presentation, and Section 3865, Hedges. These new Handbook Sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity instruments and other financial liabilities, which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financials assets and liabilities are measured at fair value and changes in fair value are recognized into net income. Available-for-sale financial instruments are measured at their fair value with changes in fair value recorded in other comprehensive income.

As a result of the adoption of these new standards, the Company has classified its receivables as loans and receivables and its accounts payable and accrued liabilities as other liabilities, which are measured at amortized cost.

As a result of application of Section 3855, the Company's deficit was not affected.

Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks.

(l) Assessing Going Concern

CICA Handbook Section 1400 was amended to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

(m) Goodwill and Intangible Assets

In February 2008, CICA Handbook Section 3064 replaces Section 3062, "Goodwill and Intangible Assets" and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Company is currently evaluating the impact of this new standard.

2. Accounting Policies (continued)

(n) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised mainly of Canadian dollar denominated cash and cash equivalent balances of $15,793,789 (September 30, 2007 – $18,876,159).

The fair market value of the Company's cash and cash equivalents approximates their carrying values at September 30, 2008 and 2007.

4. Mineral Interests and Engineering and Exploration Costs

(a) Mineral Interests:

On June 10, 2001, MMI 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, MMI is required to fund all work on the mining project ("Maoling Project").

MMI has satisfied its obligations under the Cooperative Joint Venture Agreement. At September 30, 2008, the cumulative registered capital contributions amounted to $2,780,000 (September 30, 2007 - $2,780,000). In addition, MMI had advanced loans in cash of $789,200 and loans in kind of $12,754,622.

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 MMI is in communication with the appropriate government authorities for the renewal of this license.

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

MMI 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 nine months of 2008 amounted to $375,098 (2007 - $1,033,372) and are detailed below:

	3 month ended		9 month ended	
	Sep 30, 2008	**Sep 30, 2007**	**Sep 30, 2008**	**Sep 30, 2007**
Engineering and Exploration Costs				
Engineering	44,404	$201,548	224,014	$606,813
Environmental	42,664	33,928	86,864	204,351
Geological	19,532	9,606	64,220	222,209
	106,600	$245,082	375,098	$1,033,373

The engineering 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

	Sep 30, 2008	**Sep 30, 2007**
Cost:		
Computers	85,976	$ 91,403
Furniture and fixtures	33,152	35,463
Office equipment	130,111	138,255
Vehicles	165,955	177,523
Leasehold improvements	17,019	39,628
	432,213	482,272
Less: Accumulated amortization	(326,426)	(269,373)
Net book value	105,787	$ 212,899

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	38,644,061	$ 36,157,820
Cancelled pursuant to normal course issuer bid	(152,690)	(49,644)
Brokers' commission		(613)
Balance at September 30, 2008	38,491,371	$ 36,107,563

6. Share Capital (continued)

(c) Normal Course Issuer Bid ("NCIB")

During the three months ended September 30, 2008, the Company bought back 152,690 common shares on the Toronto Stock Exchange at an average price of $0.33 (C$0.40) per share for cancellation. It is pursuant to the Company's Normal Course Issuer Bid ("NCIB") under which the Company is to purchase for cancellation between May 29, 2008 and May 29, 2009, without assurance up to a maximum of 1,933,203 shares, being 5% of its total issued and outstanding Common Shares subject to a daily restriction of 9,190 Common Shares, being 25% of the average daily trading volume for the preceding six months.

Exchange Rate

The option prices referred to in notes 6(d) 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 Q3 2007 at C$1 = US$0.98, the exchange rate on the date of grant
- For Q3 2008 at C$1 = US$1.00, the exchange rate on the date of grant

(d) Stock Options

The Stock Option Plan ("the Plan") was amended and restated by MMI in March 2005 and was not renewed at the Annual General Meeting in April 2008.

All the options under the Plan effectively converted to Mundoro Capital Inc. options to acquire stock of Mundoro Capital and continued to exist. Any grant of new options to existing officers, directors or employees will need to be approved by shareholders at the Company's annual general meeting. Under the Plan, the maximum number of shares issuable 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 first obtaining shareholder approval.

A summary of the status of options granted under the plan as at September 30, 2008 and December 31, 2007 and the changes during the nine 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	(700,000)	$ 0.72
Options outstanding at September 30, 2008	5,068,500	$ 1.68

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

6. Share Capital (continued)

(d) Stock Options (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 $201,069 in the first nine months of 2008 (2007 - $1,680,272) 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	305,000	1.90	$ -	5,000	$ 0.62
$1.01-$1.50	1,973,500	1.86	$ 1.31	1,973,500	$ 1.31
$1.51-$2.00	765,000	2.97	$ 1.69	765,000	$ 1.69
$2.01-$2.50	1,925,000	2.15	$ 2.14	1,264,990	$ 2.07
$2.51-$3.00	100,000	1.46	$ 2.61	100,000	$ 2.61
	5,068,500	2.13	$ 1.56	4,108,490	$ 1.64

The weighted average fair values of the options granted in first nine 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:

	September 30, 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.

See also Note on Subsequent Events.

(e) Contributed Surplus

Balance, December 31, 2007	$6,826,920
Amount expensed in the period	201,069
Balance, September 30, 2008	$ 7,027,989

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

7. Contingencies and Commitments

(a) Office Lease

MMI has a lease for office space in Vancouver for a term of up to six years ending June 30, 2013. MMI also signed lease for office space in Beijing, China for a one year term ending on March 20, 2009. MMI pays base rent and its proportionate share of the operating costs. The obligations remaining under these leases are as follows:

	Vancouver	Beijing	Total
2008	$ 20,465	$ 6,493	$ 26,958
2009	81,861	6,493	88,354
2010	84,195	-	84,195
2011	86,529	-	86,529
2012	86,529	-	86,529
and thereafter	43,265	-	43,265
Total	$ 402,844	$ 12,986	$ 415,830

8. 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:

	Sep 30, 2008	Sep 30, 2007
Canada	$ 16,060,384	$ 19,215,038
China	61,875	132,685
	$ 16,122,259	$ 19,347,723

9. 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.

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.

10. 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.

	Sep 30, 2008	December 31, 2007
Amount on deposit denominated in Canadian dollar	$ 11,256,557	$ 13,365,728
Amount on deposit denominated in US dollar	$4,528,406	$5,008,535
Amount on deposit denominated in Chinese yuan	$8,826	$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 $15,793,789 at September 30, 2008 ($18,374,368 at December 31, 2007), $15,738,824 is held through a large, international financial institution (December 31, 2007 - $18,328,109). Due to the current financial credit crisis, the Company is evaluating how to diversify its cash position to minimize credit risk.

(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.

11. Subsequent Events

Subsequent to the end of the period, the Company bought an additional 123,070 common shares on the Toronto Stock Exchange at an average price of $0.23 (C$0.28) per share for cancellation pursuant to the Company's Normal Course Issuer Bid.

On October 8, 2008, the Company established a Restricted Share Unit ("RSU") Plan for its directors, officers, employees and consultants ("Participants"). To participate in the RSU plan, Participants had to surrender their stock options held under the Company's 2004 Stock Option Plan in exchange for RSU's on a 1:1 basis by October 22, 2008. As at that date, 3,643,500 RSU's were granted at the strike price of $0.18 (C$0.23), which was the closing price of the Mundoro Capital on October 21, 2008, the day prior to the RSU grant. The Participant can elect to receive cash or common shares acquired by the Company on the open market in value equivalent to the appreciation in value of the Mundoro Capital shares from the date of grant to the date of exercise. The RSU's vest in three parts, the first of which is immediately, the second on the first anniversary of the date of grant, and the third on the second anniversary of the date of grant, and will expire on December 31, 2013.

12. Comparative Figures

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

MUNDORO CAPITAL

Management Discussion and Analysis
For the Fiscal Quarter Ended September 30, 2008

MUNDORO CAPITAL INC.

Management's Discussion and Analysis for the Quarter Ended September 30, 2008

1. INTRODUCTION

Mundoro Capital Inc. (the "Company"), is a Canadian based company which operates as a mineral exploration, development and investment company.

The following discussion and analysis, prepared as of November 10, 2008, is to be read in conjunction with the unaudited interim consolidated financial statements for September 30, 2008 and September 30, 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. All amounts are expressed in United States dollars unless otherwise indicated.

2. FORWARD LOOKING STATEMENTS

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

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

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of November 10, 2008.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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

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

3. SUMMARY OF RECENT ACTIVITIES

For the third quarter of 2008, the Company focused on three areas: (i) continuing the corporate development activity for Mundoro Mining Inc. ("MMI"), (ii) continuing the community relations activity on site at Maoling and the surrounding county, and (iii) evaluating investment opportunities in the resources market for Mundoro Capital.

For Mundoro Mining, the focus over the quarter has been to engage in activity that will lead to the business license renewal of the joint venture company in China with one of such efforts being the strategic engagement with ALG Consultants ("ALG") whose main focus is the restoration of the business license. ALG serves alongside Mundoro in an advisory role and will leverage its knowledge of the cultural, socio-economic, government and business environment in China, as well as extensive contacts and relationships with all levels of government. Mundoro Mining is committed to the development process for Maoling and attaining a return for shareholders on their investment in Maoling to date.

At the same time, the focus for Mundoro Capital has been to maintain a strong balance sheet such that the Company's cash position will sustain the development process of Maoling for years to come while maintaining the flexibility to invest in new resource assets that can immediately add value to the Company and refrain from returning to the market to raise additional capital during the currently difficult financial markets environment.

4. OUTLOOK

The current global financial crisis has caused flow of funds out of speculative mineral exploration stocks. The outflow of capital has been led by institutional funds needing to meet redemption obligations. This has lead to drastically reduced equity prices in the resource sector, particularly in the junior exploration/pre-development companies, and continues to affect prices and volatility. Those companies needing to raise capital in the near term to meet capital expenditure requirements for project construction have been hardest hit as debt lending and equity financing has decreased substantially.

Those companies with cash and that demonstrate the ability to outlast the decrease in debt and equity availability for the next 24 months should be reward by the markets. The Company tracks the valuation of many resource equities to determine market value per resource ounce for various stage assets. Valuations have not been this low since 1999 and 2000 when junior gold explorers where trading at less than $20 per resource ounce and the gold price was in the range of $255 to $300 per ounce. In today's market, there are junior gold exploration companies with assets in the feasibility stage that are trading in the range of $10 to $15 per resource ounce but the difference is that gold is trading in the range of $750 to $800 per ounce. The fundamentals in the gold market are stronger today and those companies that can demonstrate solid projects fundamentals and cash to maintain those assets should be reward by the markets post the financial crisis.

The currently restricted financing environment is presenting Mundoro Capital with attractive opportunities at low valuations for producing and near producing gold assets in the face of strong prices for physical gold. The Company believes there is an opportunity to invest in gold projects which with thorough due diligence can be carefully selected for quality to achieve a sound long term investment that has potential for significant appreciation in value from the strong fundamentals in physical gold demand. Mundoro Capital is looking to employ its financial strength and technical expertise either in conjunction with others or as the principal investor for resource assets and/or companies in the natural resources field. The Company will continue to monitor carefully value driven opportunities and weight these opportunities against the necessity to conserve capital during the restricted financial markets.

The long delay in renewing the business license of Tianli has weighed heavily on the Company's valuation in the public markets; however the Company continues to believe the strategy undertaken of engagement and building awareness with a wide range of government agencies and Chinese enterprises in China and in Canada in order to resolve the issue, will provide a positive outcome.

The Company believes it has the opportunity, particularly in the current climate of low valuations for assets and companies in the resources sector, to identify and invest in new resource assets in an effort to create new value for shareholders.

5. DESCRIPTION OF BUSINESS

MUNDORO CAPITAL'S INVESTMENT IN CHINA

As its cornerstone investment, the Company owns 100% interest in Mundoro Mining Inc. ("MMI"), which remains the largest and key asset of Mundoro Capital. MMI's sole focus is the Maoling Gold Project ("Maoling") located in Liaoning Province, China. The Measured, Indicated and Inferred Resources of Maoling (shown in the table below) place it in the category of one of the largest undeveloped gold deposits in the world.

Maoling's Reserves		
Tonnes (millions)	Grade (Au g/t)	Contained Gold (million ozs)
Zone 1 Pre-Feasibility Probable Reserves		
88.8	1.0	2.8

Maoling's 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		

The Company's management team recognizes the significance and value of the resource at Maoling and as such will continue to pursue a development strategy for Maoling.

Licensing & Government Relations

Maoling was acquired by MMI in 2001 when it responded to an invitation by a central government call for tenders to help develop the Maoling gold deposit. To complete the acquisition of Maoling, a Chinese joint venture company was formed, Liaoning Tianli Mining Company Ltd. ("Tianli") of which MMI owns 79% and the joint venture partner, Liaoning Aidi Resources Company Limited ("Aidi") owns 21%. Aidi is the corporate arm of the Liaoning Geology and Exploration Bureau. The original business license and exploration licenses for Tianli were granted in 2001, however the renewal of the exploration license for Maoling has been deferred since November 2005 pending the renewal of the business license for Tianli.

MMI and its partner, Aidi, have undertaken a strategy of engagement and building awareness with a wide range of government agencies and Chinese enterprises in order to resolve the business license renewal issue and to advocate the benefits of developing a modern mine at Maoling which will serve as a showcase in modern mine management methods including environmental protection.

Feasibility Study & Environmental and Social Impact Assessment

A Pre-Feasibility Study for Maoling was completed and published 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, an integrated technical team of Chinese and western engineers and environmental experts where engaged to optimize the mine and mill design and to complete a Feasibility Study for Maoling.

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 Chinese firm retained for streamlining the Environmental and Social Impact Assessment ("ESIA") process is Beijing General Research Institute of Mining and Metallurgy ("BGRIMM") who will also assist with environmental planning and evaluation. Golder and BGRIMM have been coordinating their joint efforts on the 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 Tianli'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 Tianli's business license has been renewed, the remaining engineering work needed to produce a NI 43-101 compliant feasibility study and a full ESIA for Maoling will be completed. The majority of the feasibility study and much of the ESIA work has been completed and as such, completion of these two studies will not require the Company to go to the market for capital as the Company's current cash position exceeds the capital needed for completion of these studies.

Community Relations

Mundoro's community relations program has been well-received by the local residents for its successful development of local infrastructure and economic advancement including local medical service improvements, as well as assistance in scholastic and educational development. With the full support of the Gaizhou County government, the Company implemented a plan to spend RMB 1.2 million over a three year period to fund educational, health and sanitation development in Gaizhou County. This quarter, the Company provided funds for the upgrade of the Kuangdonggou Medical Clinic to fully integrate the clinic's recent purchase of an X-Ray machine. It is expected the upgrades will be completed by the end of the year and the X-Ray machine to be fully operational and in use by medical staff at that time.

6. FINANCIAL HIGHLIGHTS

- The Company's consolidated and comprehensive income for the quarter was $2,470,237 or $0.064 per share compared with a net loss of $889,964 or $0.023 per share for the previous period's quarter.
- The corporate expenses during this quarter are the lowest when compared to the last eight quarters (as shown in the table below in section 6) primarily due to management's continued efforts to conserve cash in order to not raise further equity and not dilute shareholders.
- The net income in the quarter is attributable to:
  - I. expending $106,600 on the Engineering and Exploration costs;
  - II. expending $370,363 on corporate expenses;
  - III. recovering $2,858,953 on other non-cash accounting items; and
  - IV. earning interest income of $88,247.
- The Company ended the quarter with $15,793,789 in **cash which equates to $0.41 per share** with no long term debt.

7. SUMMARY OF QUARTERLY RESULTS

000's US$	Q3/08	Q2/08	Q1/08	Q4/07	Q3/07	Q2/07	Q1/07	Q4/06
Interest income	$88	$122	$162	$209	$264	$179	$204	$216
Engineering & Exploration costs	107	94	174	(234)	245	425	363	561
Corporate Expenses (1)	370	513	657	667	583	736	579	686
Other Expenses (Income)(2)	(2,859)	(150)	(1,113)	(94)	326	1,664	1,565	106
Income (Loss) and comprehensive income (loss) for the period	2,470	(335)	443	(598)	(890)	(2,646)	(2,303)	(1,137)
Income (Loss) and comprehensive income (loss) per share, basic and fully diluted	$0.06	($0.01)	$0.01	($0.02)	($0.02)	($0.07)	($0.06)	($0.03)

(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).

8. RESULT OF OPERATIONS

Result of Operations Table	Quarter ended September 30, 2008		Quarter ended September 30, 2007
Interest Income	**$88,247**		**$263,891**
Engineering and Exploration Costs	106,600		245,081
Corporate Expenses			
Accounting and Audit	37,072		70,787
Corporate Communication & Marketing	84,185		82,289
Corporate Development	71,153		18,298
Corporate Governance	41,380		66,194
Government & Community Relations	45,691		242,144
General and Administrative	90,882		103,578
Total Corporate Expenses	**370,363**		**583,290**
Other Expenses			
Amortization	4,677		11,612
Foreign exchange loss/(gain)	(2,895,324)		176,192
Stock-based compensation	31,694		137,680
Total Other Expenses	**(2,858,953)**		**325,484**
Income (loss) and comprehensive income (loss) for the period	**$2,470,237**		**$(889,964)**
Income (loss) and comprehensive income (loss) per share, basic and fully diluted	**$0.06**		**$(0.02)**
Total Assets	**$16,122,259**		**$19,347,723**
Total Long Term Liabilities	Nil		Nil
Cash Dividends per share	Nil		Nil

Three months ended September 30, 2008 compared to the three months ended September 30, 2007

- The Company's corporate expenses for the quarter were $370,363 which decreased from the previous period's quarter of $583,290 primarily due to the continued effort by management to minimize expenses across the scope of the company's operations in an effort to conserve cash.
- This quarter the Company experienced a gain of $2,470,237 compared to a loss of $(889,964) for the previous period's quarter. The gain versus the loss in the previous period's quarter is primarily due to a non-cash accounting items (shown as Other Expenses in the table above). The gain in non-cash accounting items was due to the foreign exchange gain on decrease in the US and Canadian dollar against the Chinese renminbi and increase in the US dollar against the Canadian dollar or vice versa over that time frame.
- Income from interest in the quarter decreased to $88,247 compared with $263,891 for the previous period's quarter, due to a decrease in the cash position collecting interest from the previous period's quarter as well as a decrease in the interest rate earned due to the overall market rates decreasing.
- Engineering and exploration costs for the quarter were $106,600 compared with $245,081 during the previous period's quarter, reflecting the decrease in activity of work on the Feasibility Study.

Nine months ended September 30, 2008 compared to the nine months ended September 30, 2007

- The Company's corporate expenses for the nine month period were $1,540,479 which decreased from the previous period of $1,898,985 primarily due to the continued effort by management to minimize expenses across the scope of the company's operations in an effort to conserve cash.
- The Company experienced income during this period of $2,578,013 compared to a loss of $5,839,341 for the previous period. The change from a loss in the previous period to income in this nine month period was 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 decrease in the US and Canadian dollar against the Chinese renminbi and increase in the US dollar against the Canadian dollar or vice versa.
- Interest income earned during this nine month period is $ $372,234 compared with $ $647,362 for the previous period. The decrease in interest income earned was primarily due to a decrease in the cash and marketable securities earning interest from the previous period as well as a decrease in the interest rate.
- Engineering and exploration costs for the nine month period were $375,098 compared with $1,033,372 during the previous period, reflecting the decrease in activity of work on the Feasibility Study.

9. Feasibility Study and ESIA Activities

The Feasibility Study, which commenced in September 2005, has cost $3,398,066 to-date under Ausenco's supervision as project manager. The Environmental & Social Impact Assessment study has accumulated costs of $1,042,124 to date. The majority of the feasibility study and much of the ESIA work has been completed.

10. Financial Condition, Liquidity And Capital Resources

The Company's principal source of liquidity as at September 30, 2008 is cash and cash equivalents of $15,793,789 (September 30, 2007 – $18,876,159).

The Company considers it has sufficient funds to cover all current commitments in Mundoro Mining such as completion of 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 partnership, project debt, convertible securities or other financial instruments.

When considering future investment opportunities, which will add breadth to the Company's portfolio of assets, the Company will carefully consider the implications of such investments to the Company's need for cash to sustain current activity. Part of the issues to consider will be the Company's view of the availability of additional financing for Maoling development. 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 Mundoro Mining and/or 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. The Company believes current market conditions will continue for the foreseeable future and as such may negatively impact the Company's ability to finance activities at an acceptable price, or at all, should the Company need to raise capital.
The Company has no long term debt.

Normal Course Issuer Bid Program

During the three months ended September 30, 2008, the Company bought back 152,690 common shares on the Toronto Stock Exchange at an average price of $0.33 (C$0.40) per share for cancellation. The average purchase price for these shares during the quarter was below the equivalent cash per share for the quarter. The purchase of shares is pursuant to the Company's Normal Course Issuer Bid ("NCIB") under which the Company is to purchase for cancellation between May 29, 2008 and May 29, 2009, without assurance up to a maximum of 1,933,203 shares, being 5% of its total issued and outstanding Common Shares subject to a daily restriction of 9,190 Common Shares, being 25% of the average daily trading volume for the preceding six months. The Company believes purchasing back its Common Shares represents an opportunity to enhance value for its shareholders and that the Company's cash position allows for the implementation of the NCIB Program without adversely affecting Mundoro's other growth opportunities however the Company will monitor the NCIB program in light of the Company's preservation of its cash.

11. 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.

12. ANNUAL INFORMATION FORM

An 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.

13. INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

14. 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.

15. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company 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 the Company, it is not feasible to achieve complete segregation of incompatible duties.
- Due to the size of the Company and the limited number of staff, the Company 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 the Company'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.

16. 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 AIF and Management Information Circular filed on March 12, 2008 which have been filed on the SEDAR website at www.sedar.com, and include but are not limited to:

Any mineral property in which Mundoro Capital holds an interest directly or indirectly, now or in the future, may be unsuccessful in obtaining permits and licenses in a timely manner.

Exploration, development and operation of mining are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labour standards, reclamation obligations, heritage and historic matters and other matters. The owners and operators of the properties in which Mundoro Capital holds an interest require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such licenses and permits could have a material adverse impact on the revenue Mundoro Capital derives. There can be no guarantee that Mundoro Capital or the operators of those properties in which Mundoro Capital holds an interest, will be able to obtain or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining operations that economically justify the cost.

Any mineral property in which Mundoro Capital holds an interest directly or indirectly, now or in the future, may be subject to unforeseen and unknown title defects.

A defect in the chain of title to any of the underlying properties in which Mundoro Capital may have an interest may arise to defeat the claim of the operator to a property. To the extent an owner or operator is not entitled to title on the property, it may be required to cease operations or transfer operational control to another party. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in which Mundoro Capital has an interest and may result in a material and adverse effect on Mundoro Capital's profitability, results of operation and financial condition.

Any mineral property in which Mundoro Capital holds an interest directly or indirectly, now or in the future, may be exposed to risks of changing political attitudes and stability and ensuing changes in government regulation in the countries in which it holds its interests.

The properties in which Mundoro Capital may hold an interest may be located in multiple legal jurisdictions and political systems. There is sovereign risk in investing in foreign countries, including the risk that the resource concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or changes in their enforcement or regulatory interpretation could result in adverse changes to mineral operations. These are matters over which Mundoro Capital has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources.

Any mineral property in which Mundoro Capital holds an interest directly or indirectly, now or in the future, is inherently dangerous and subject to risks beyond the control of Mundoro Capital.

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 Mundoro Capital 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 Mundoro Capital.

Any mineral property in which Mundoro Capital holds an interest directly or indirectly, now or in the future, are subject to changes in environmental laws and regulations that may adversely affect those operations.

Environmental laws and regulations may affect the operations of Mundoro Capital. Mundoro Capital minimizes these risks by complying with all applicable and international environmental, health and safety standards and regulations. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect Mundoro Capital's operations.

Mundoro Capital has no history of operations and there can be no assurance that it will be successful or profitable.

While many members of management have investment experience, there can be no assurance that Mundoro Capital's business will be successful or profitable or that Mundoro Capital will be able to successfully execute its business model and growth strategy. If Mundoro Capital cannot execute its business model and growth strategy, it may result in a material and adverse effect on Mundoro Capital's profitability, results of operation and financial conditions.

Mundoro Capital's Shares may experience price volatility.

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

Changes in the market price of commodities will affect the profitability of Mundoro Capital.

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

Mundoro Capital's financials are subject to variations in currency and foreign exchange rates.

It is anticipated that Mundoro Capital's resource investments will be made in Canadian and US dollars and may also make resource investments denominated in other foreign currencies. Therefore, changes in currency exchange rates as well as associated transaction costs could adversely affect the value of the Company's resource investments during any period. In addition, the Company could also make investments in jurisdictions which may place restrictions on the repatriation of funds. The Company does not anticipate entering into hedging or derivative arrangements to manage its foreign exchange risk.

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.

17. QUALIFIED PERSONS & INFORMATION CONCERNING ESTIMATES OF RESOURCES

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. 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.