MUNDORO

Condensed Interim Consolidated Financial Statements

(Unaudited)

March 31, 2019

Expressed in Canadian Dollars

Reader's Note:

These unaudited condensed interim consolidated financial statements of Mundoro Capital Inc. have been prepared by management and have not been reviewed by the Company's auditors.

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		March 31, 2019 *(Unaudited)*		December 31, 2018
ASSETS				
Current assets				
Cash and cash equivalents	$	3,054,846	$	4,508,894
Amounts receivable (note 5)		549,666		474,478
Deposits		19,202		20,005
Prepaid expenses		121,848		56,008
		3,745,562		5,059,385
Non-current assets				
Restricted cash (note 4)		57,647		85,421
Investments (note 6)		370,378		195,806
Equipment and vehicles (note 7)		222,126		239,809
Mineral interests (note 8)		471,416		485,963
		1,121,567		1,006,999
TOTAL ASSETS	**$**	**4,867,129**	**$**	**6,066,384**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (notes 10 & 12)	$	953,405	$	1,370,516
Advances from option partners (note 10)		150,223		495,042
TOTAL LIABILITIES		1,103,628		1,865,558
EQUITY				
Share capital (note 11)		48,794,833		48,794,833
Contributed surplus		9,000,153		9,000,153
Stock options reserve		968,175		950,300
Accumulated other comprehensive income		243,602		6,688
Deficit		(55,243,262)		(54,551,148)
TOTAL EQUITY		3,763,501		4,200,826
TOTAL EQUITY AND LIABILITIES	**$**	**4,867,129**	**$**	**6,066,384**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on May 27, 2019.

The are signed on the Company's behalf by:

/s/ Michael Calyniuk, Director *Teo Dechev, Director*

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

		For the three months ended		
		March 31, 2019		March 31, 2018
Exploration and project evaluation (note 9)	**$**	**1,368,826**	$	689,391
Less: recoveries		**(940,352)**		(422,302)
Operator fees earned		**(101,662)**		(42,276)
		326,812		224,813
EXPENSES				
Corporate governance		**62,759**		67,039
General and administrative		**21,171**		18,613
Accounting and audit		**54,116**		35,366
Corporate communication		**83,962**		63,899
		222,008		184,917
LOSS BEFORE OTHER EXPENSES		**548,820**		409,730
OTHER (INCOME) EXPENSES				
Interest income		**(8,121)**		(7,355)
Share-based payments		**17,875**		22,186
Depreciation (note 7)		**18,502**		12,414
Foreign exchange (gain) loss		**115,038**		(31,528)
		143,294		(4,283)
NET LOSS FOR THE PERIOD	**$**	**692,114**	$	405,447
OTHER COMPREHENSIVE (INCOME) LOSS WHICH MAY BE RE-CLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
Foreign currency translation differences for foreign operations		**(236,914)**		(44,716)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**$**	**455,200**	$	360,731
Loss per share				
Basic and diluted loss per share:	**$**	**(0.01)**	$	(0.01)

Mundoro Capital Inc.

(An exploration stage company)

Consolidated Statements of Change in Equity

(Unaudited)

(Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	Amount	Contributed Surplus	Stock options reserve	Accum. Other Comprehensive Income	Deficit	Total
Balance at December 31, 2017	69,324,025	$ 48,795,115	$ 9,000,153	$ 830,447	$ 57,793	$ (52,947,060)	$ 5,736,448
Share issue costs	-	(282)	-	-	-	-	(282)
Share-based payments (Note 11(c))	-	-	-	22,186	-	-	22,186
Net comprehensive loss for the period	-	-	-	-	44,716	(405,447)	(360,731)
Balance at March 31, 2018	69,324,025	$ 48,794,833	$ 9,000,153	$ 852,633	$ 102,509	$ (53,352,507)	$ 5,397,621
Balance at December 31, 2018	69,324,025	$ 48,794,833	$ 9,000,153	$ 950,300	$ 6,688	$ (54,551,148)	$ 4,200,826
Share-based payments (Note 11 (c))	-	-	-	17,875	-	-	17,875
Net comprehensive loss for the period	-	-	-	-	236,914	(692,114)	(455,200)
Balance at March 31, 2019	69,324,025	$ 48,794,833	$ 9,000,153	$ 968,175	$ 243,602	$ (55,243,262)	$ 3,763,501

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (692,114)	$ (405,447)
Adjustments for items not affecting cash:		
Depreciation	18,504	12,414
Share-based payments	17,875	22,186
Change in fair value of investments (note 6)	(174,572)	-
	(830,307)	(307,847)
Net changes in non-cash working capital items:		
Amounts receivable	(135,097)	689,601
Prepaid expenses	(66,420)	(7,801)
Deposits	-	2,457
Accounts payable and accrued liabilities	(376,602)	(393,862)
Advances from option partners	(344,819)	-
Net cash provided by (used in) operating activities	**(1,753,245)**	(80,452)
FINANCING ACTIVITIES		
Funds transferred from escrow, net of costs	-	999,663
Net cash flows from financing activities	**-**	999,663
INVESTING ACTIVITIES		
Expenditures on resource properties	(4,022)	(249)
Purchase of equipment	(9,600)	(7,963)
Restricted cash	24,542	7,616
Net cash flows from investing activities	**10,920**	(596)
Effects of exchange rate changes on cash and cash equivalents	**288,277**	11,137
Net increase in cash and cash equivalents	**(1,454,048)**	929,752
Cash and cash equivalents, beginning of period	**4,508,894**	3,522,406
Cash and cash equivalents, end of period	**$ 3,054,846**	$ 4,452,158

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Mundoro Capital Inc. (the "Company" or "MCI" or "Mundoro") is an exploration, development and investment company operating in the mineral resource sector. The business of exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in discovery or future profitable operations.

The Company was incorporated on March 6, 2008 under the Business Corporations Act of the Province of British Columbia and its common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

The Company's head office and principal address is 15th floor - 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance with International Financial Reporting Standards

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is, therefore, recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2018. The accounting policies applied by the Company in these financial statements are consistent with those of the previous financial years with the exception of the Company's investments, which are recognized at fair value with the adoption of IFRS 9 as discussed below.

b) Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the Company's investments which are recognized at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative figures have been reclassified to conform to the current period's presentation. For the quarter ended March 31, 2019, the Company reclassified *"Operator fees earned"* from recoveries in the Consolidated Statement of Loss and Comprehensive Loss to recognize fees received for its role as operator on Earn-In Agreements. These reclassifications did not affect prior periods' net losses.

c) Management judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors including expectations about future events that are believed to be reasonable under the circumstances.

Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Both internal and external information are considered to determine whether there is an indicator of impairment present and therefore, whether impairment testing is required.

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective January 1, 2019, the Company adopted IFRS 16 – Leases.

IFRS 16, Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Under the new standard all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing. The new leasing standard results in lease assets previously recorded as operating leases now being recognized as "right of use" assets on the statement of financial position. IFRS 16 is applicable to all entities and will supersede current lease accounting standards under IFRS. There was no material impact upon adoption.

4. RESTRICTED CASH

		March 31, 2019		December 31, 2018
Mineral Property Guarantee Deposits – Bulgaria	**$**	**57,647**	$	85,421

*Restricted cash consists of cash held by the Bulgarian government as guarantees on the mineral licenses in country.

5. AMOUNTS RECEIVABLE

		March 31, 2019		December 31, 2018
Amounts receivable				
VAT/GST receivable	**$**	**536,561**	$	422,902
Other receivable		**13,105**		51,576
	$	**549,666**	$	474,478

6. INVESTMENTS

On June 10, 2013, the Company, through a 100%-owned subsidiary, acquired at a cost of $280,853, a 2.9% equity interest in a privately held gold producing company in Bulgaria that operates adjacent to the Company's Zvezda license. As at March 31, 2019, the fair value of such equity investment was determined to be $370,378 (December 31, 2018 - $195,806), resulting in an increase in fair value of this investment of $174,572 in the Company's statement of loss.

The Company performed an analysis of comparable companies, using their enterprise value as a proportion of their available current resources, and applied the calculated group average multiple to determine the fair value of its investment. High-degree of judgement is applied in determining such fair value, including but not limited to, using the pro-forma guidance of the companies of the peer group, the statistical sufficiency of the number of the comparable companies and the representativeness of the selected peers. The Company also applied estimates such as the private company liquidity and the jurisdiction risk discount rates. If all other variables remain constant, a 500 basis point change to the discount rates used, would result in a change between $40,000 to $60,000 in the Company's fair value estimate.

(Expressed in Canadian Dollars)

7. EQUIPMENT AND VEHICLES

	Office equipment	Field equipment	Total
Cost			
As at December 31, 2017	**$ 31,338**	**$ 314,914**	**$ 346,252**
Additions	18,009	83,125	101,134
Effect of movements in exchange rates	765	13,776	14,541
As at December 31, 2018	**$ 50,112**	**$ 411,815**	**$ 461,927**
Additions	-	9,600	9,600
Effect of movements in exchange rates	(1,084)	(15,627)	(16,711)
As at March 31, 2019	**$ 49,028**	**$ 405,788**	**$ 454,816**
Accumulated depreciation			
As at December 31, 2017	**$ (26,400)**	**$ (135,418)**	**$ (161,818)**
Depreciation for the period	(5,108)	(48,504)	(53,612)
Effect of movements in exchange rates	(382)	(6,306)	(6,688)
As at December 31, 2018	**$ (31,890)**	**$ (190,228)**	**$ (222,118)**
Depreciation for the period	(2,850)	(15,654)	(18,504)
Effect of movements in exchange rates	486	7,446	7,932
As at March 31, 2019	**$ (34,254)**	**$ (198,436)**	**$ (232,690)**
Net book amount			
As at December 31, 2018	$ 18,222	$ 221,587	$ 239,809
As at March 31, 2019	**$ 14,774**	**$ 207,352**	**$ 222,126**

8. MINERAL INTERESTS

	European projects	Mexico projects	Total
Balance as at December 31, 2017	**$ 461,708**	**$ 5,473**	**$ 467,181**
Acquisition costs	410	-	410
Effect of movements in exchange rates	17,891	481	18,372
Balance as at December 31, 2018	**$ 480,009**	**$ 5,954**	**$ 485,963**
Acquisition costs	4,022	-	4,022
Effect of movements in exchange rates	(18,569)	-	(18,569)
Balance at March 31, 2019	**$ 465,462**	**$ 5,954**	**$ 471,416**

Serbian Properties

The Company holds, through it's Serbian subsidiaries, eight 100%-owned exploration licenses which include: (i) Zeleznik (including adjoining licenses Crvena Zemlja, Radjina and Fresenis), (ii) Padina, (iii) Borsko Jezero, (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, and (viii) Dubrava-Ostrelj. These properties are located in Northeastern Serbia east of Belgrade and are held in the name of the Company's Serbian subsidiaries. To maintain title to the exploration licenses in Serbia, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes and other related costs associated with holding the properties. As of March 31, 2019, such holding costs amounted to $26,426 (2018 - $79,919).

8. MINERAL INTERESTS (continued)

In Q3-2016, the Company amended its binding agreement (the "**JOGMEC Agreement**") with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") and granted to JOGMEC an earn-in option on four of Mundoro's exploration licenses: Dubrava, Padina, Zeleznik and Borsko Jezero (the "JOGMEC-Mundoro Projects"). JOGMEC has the option to earn a 51% interest in the JOGMEC-Mundoro Projects by spending US$4 million by March 2019 ("**Stage One Earn-in**"). As of March 31, 2019, US$5.09 million has been spent by JOGMEC in Stage One Earn-in.

In July 2018, the Company entered into an earn-in agreement with Freeport-McMoran Exploration Corporation ("**Freeport**") in which the Company has granted to Freeport an option to earn-in to Mundoro's Savinac and Bacevica exploration licenses (the "Freeport-Mundoro Projects"). Pursuant to the Agreement, Mundoro has granted to Freeport an option to earn, over two phases, up to a 75% interest in the Freeport-Mundoro Projects by sole funding expenditures of up to US$45 million. In Phase One, Freeport has the right to earn a 51% interest in the Freeport-Mundoro Projects by sole-funding US$5 million in expenditures by the third anniversary of the Agreement. Mundoro will be the operator of the Freeport-Mundoro Projects in Phase One. In Phase Two, Freeport has the right, exercisable within 60 days, to elect to enter Phase Two, whereupon it can earn an additional 24% interest in the Freeport-Mundoro Projects, for a total 75% interest, by sole-funding an additional US$40 million in expenditures (the "Phase Two Option") by the fifth anniversary of the election date. If Freeport (a) elects not to enter Phase Two, or (b) does not satisfy the Phase Two Option, then Freeport will, for a period of ten (10) years thereafter, pay to Mundoro an annual fee of US$100,000 in each year in which the annual work program and budget adopted by the joint venture is a work program and budget proposed by Freeport. Additional Terms are if either party's interest in the joint venture is reduced below 10% through dilution, the diluted party's interest will be converted to a 2% Net Smelter Returns Royalty ("NSR") of which up to 1% NSR can be re-purchased. As of March 31, 2019, US$1.02 million has been spent by Freeport in Phase One.

Amounts received from third parties earning into a license(s) are netted against the exploration expenditures on the applicable licenses, recognized in the Company's statement of loss. Any advances received for future exploration work or any reimbursable funds expended by the Company are recognized separately on the statement of financial position.

<u>Bulgarian Properties</u>

The Company holds, through it's Bulgarian subsidiary Bulgaria Alpha EAD ("BAE"), 100% interest in two exploration licenses which include: (i) Zvezda and (ii) Byalo. The Zvezda and Byalo licenses are located in southeastern Bulgaria known as the Rhodopes region. To maintain title to the exploration licenses in Bulgaria, BAE has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes and related costs associated with holding the properties. During the period ended March 31, 2019, such holding costs amounted to $6,590 (2018 - $12,135).

In May 2018, Mundoro entered into an option agreement (the "Saje Option Agreement") with an arm's length third party private company ("the Private Company") to which it granted an option on the Saje project. The Saje project is a Lead-Zinc project, located within the Zvezda license area. After completing a drill program in Q4-2018, the private company terminated the Option Agreement. The Zvezda license continues to be 100% held through BAE.

<u>Mexico Properties</u>

The Company holds, through its Mexican subsidiary, 100% interest in the Camargo Project, a porphyry copper-gold deposit located in the Southeastern Chihuahua State. To maintain the Camargo mineral concession, the Company through its subsidiary, Mundoro do Mexico S.A. de CV. has an ongoing annual exploration expenditure commitment and is obligated to pay approximately $8,000 semi-annually in government property tax payments.

(Expressed in Canadian Dollars)

9. EXPLORATION AND PROJECT EVALUATION

The following is a summary of expenditures incurred on the Company's projects during the periods:

	Serbia	Bulgaria	Mexico	Other	Total
For the three months ended March 31, 2019					
Project Administration[1]	$ 32,575	$ 27,103	$ -	$ -	$ 59,678
Land holding[2]	26,426	6,590	-	-	33,016
Government and community relations[3]	5,198	20,844	-	-	26,042
Field related[4]	70,010	4,981	-	-	74,991
Personnel[5]	215,557	72,880	-	-	288,437
Technical services[6]	797,950	-	-	-	797,950
Project evaluation[7]	64,011	6,335	-	18,366	88,712
Total expenditures	1,211,727	138,733	-	18,366	1,368,826
Less: recoveries	(940,352)	-	-	-	(940,352)
Operator fees earned[8]	(101,662)				(101,662)
	$ 169,713	**$ 138,733**	**$ -**	**$ 18,366**	**$ 326,812**

	Serbia	Bulgaria	Mexico	Other	Total
For the three months ended March 31, 2018					
Project Administration[1]	$ 31,203	$ 24,775	$ 2,775	$ -	$ 58,753
Land holding[2]	73,919	12,135	-	-	86,054
Government and community relations[3]	5,003	8,822	-	26	13,851
Field related[4]	49,850	4,138	-	-	53,988
Personnel[5]	155,218	66,468	-	-	221,686
Technical services[6]	210,205	1,599	-	-	211,804
Project evaluation[7]	29,748	7,662	-	5,845	43,255
Total expenditures	555,146	125,599	2,775	5,871	689,391
Less: recoveries	(422,302)	-	-	-	(422,302)
Operator fees earned[8]	(42,276)				(42,276)
	$ 90,568	$ 125,599	$ 2,775	$ 5,871	$ 224,813

[1] Project Administration expenses include administrative, accounting and legal costs related to the projects.
[2] Land holding costs include property taxes and related costs associated with holding the properties.
[3] Government and community relations relates to the costs of communicating with governing bodies in the local jurisdictions.
[4] Field related expenses include items such as field equipment costs and lodging for field personnel.
[5] Personnel costs for conducting exploration work include consultants and employees, full-time and allocated.
[6] Technical Services expenditures include activities such as geochemical sampling and assaying, geophysical surveys and interpretation, and drilling and assaying.
[7] Project evaluation expenditures capture those costs incurred in analysis of existing mineral projects and evaluating new mineral project opportunities.
[8] Under Earn-In Agreements, Mundoro is paid a fee for its role as the operator.

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE, ADVANCES AND ACCRUED LIABILITIES

		March 31, 2019		December 31, 2018
Trade payables	$	810,456	$	1,260,544
Advances from option partners		150,223		495,042
Accrued liabilities		142,949		109,972
	$	**1,103,628**	**$**	**1,865,558**

11. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

At March 31, 2019, there were 69,324,025 issued and fully paid common shares (December 31, 2018 – 69,324,025).

As at December 31, 2017, the Company had issued 7,444,000 units in connection with the private placement, however, proceeds of $999,945 were held in escrow and had not been released to the Company. During the period ended June 30, 2018, these funds were received by the Company less finder's fees of $282.

c) Stock options

The continuity of stock options during the period ended March 31, 2019 and the year ended December 31, 2018 was as follows:

	March 31, 2019			December 31, 2018		
	Number outstanding		**Weighted average exercise price**	Number outstanding		Weighted average exercise price
Opening Balance	**4,942,500**	**$**	**0.14**	4,332,500	$	0.18
Granted	-		-	1,300,000		0.11
Expired	-		-	(690,000)		0.30
Closing Balance	**4,942,500**	**$**	**0.14**	4,942,500	$	0.14

The following summarizes information about stock options outstanding and exercisable at March 31, 2019:

Expiry date	**Options outstanding**	**Options exercisable**	**Exercise price ($)**	**Weighted average remaining contractual life (in years)**
January 13, 2020	452,500	452,500	0.21	0.79
June 27, 2021	1,107,500	1,107,500	0.13	2.24
January 18, 2022	938,000	625,325	0.13	2.81
June 13, 2022	1,144,500	762,996	0.17	3.21
May 23, 2023	1,300,000	433,328	0.11	4.15
	4,942,500	**3,381,649**	**0.14**	**2.94**

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Warrants

The change in warrants during the period ended March 31, 2019 and the year ended December 31, 2018 was as follows:

	March 31, 2019			December 31, 2018		
	Number outstanding		**Price per share**	Number outstanding		Weighted average exercise price
Opening balance	**8,601,958**	**$**	**0.20**	12,768,625	$	0.20
Expired	-		-	(4,166,667)		-
Closing balance	**8,601,958**	**$**	**0.20**	8,601,958	$	0.20

A summary of the Company's warrants outstanding as at March 31, 2019 is as follows:

Warrants outstanding		**Price per share**	**Expiry date**
4,879,958	$	0.20	November 29, 2020
3,722,000	$	0.20	December 29, 2020
8,601,958	**$**	**0.20**	

On September 7, 2018, 4,166,667 warrants at a price of $0.20 per share expired.

12. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances

The balances due to related parties included in accounts payables and accrued liabilities were $20,771 as at March 31, 2019 (December 31, 2018 – $49,453). These amounts are for reimbursement of expenses and service fees.

b) Related party transactions

	For the three months ended			
Expenses by nature:		**March 31, 2019**		March 31, 2018
Directors' fees	**$**	**15,050**	$	16,308
Short-term management salaries and benefits		**99,695**		61,752
Share based payments – Directors		**4,261**		6,196
Share based payments - Management		**6,634**		8,967
	$	**125,640**	$	93,223

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

The Company has the following geographic segments: the Mexico exploration program ("Mexico"), the Serbian and Bulgarian exploration programs ("Europe") and, corporate administrative functions in Canada. The Company's total assets and net losses by geographic segment are as follows:

	Canada	Mexico	Europe	Total
Assets				
As at March 31, 2019				
Non-current	$ 18,711	$ 5,954	$ 1,096,902	**$ 1,121,567**
Current	2,778,030	23,083	944,449	**3,745,562**
Total assets	$ 2,796,741	$ 29,037	$ 2,041,351	**$ 4,867,129**
As at December 31, 2018				
Non-current	$ 20,284	$ 5,954	$ 980,761	**$ 1,006,999**
Current	3,558,004	23,083	1,478,298	**5,059,385**
Total assets	$ 3,578,288	$ 29,037	$ 2,459,059	**$ 6,066,384**
Net loss:				
For the period ended March 31, 2019	$ 451,809	$ -	$ 240,306	**$ 692,115**
For the period ended March 31, 2018	$ 351,542	$ 2,775	$ 51,130	**$ 405,447**

13. SUBSEQUENT EVENTS

On May 1, 2019, the Company announced it had been notified by Japan Oil, Gas and Metals National Corporation (JOGMEC) of its decision to undertake the Stage Two Earn-In on the Borsko-Jezero ("Borkso") license under the Earn-In Agreement between Mundoro and JOGMEC. Under the Earn-In Agreement with JOGMEC, Mundoro granted to JOGMEC an earn-in option on four of Mundoro's Serbian exploration licenses: Dubrava, Padina, Borsko Jezero and Zeleznik located within the northern portion of the Timok Magmatic Complex in northeastern Serbia. Under the terms of the Earn-In Agreement, JOGMEC was required to spend US$4 million to earn-in a 51% interest. JOGMEC spent US$5.09 million over the course of the Stage One Earn-In, which included US$500,000 in operator fees payable to Mundoro. JOGMEC has now elected to undertake the Stage Two Earn-In to sole fund exploration on the Borkso license. If JOGMEC completes the Stage Two Earn-In, JOGMEC will acquire an additional 24% interest in that license by having sole funded exploration and development expenditures of no less than US$32 million over a five-year term. JOGMEC may choose to cease sole funding at any time. JOGMEC has notified Mundoro the remaining three licenses: Zeleznik, Dubrava and Padina will be relinquished and revert 100% to Mundoro.

MANAGEMENT DISCUSSION AND ANALYSIS

March 31, 2019

Expressed in Canadian Dollars

1. INTRODUCTION

Mundoro Capital Inc. ("Company", "MCI", and "Mundoro") is a Canadian based mineral acquisition, exploration and development company (see discussion under "Summary of Activities"). The Company's common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

This management discussion and analysis ("MD&A") should be read in conjunction with the Company's consolidated financial statements and supporting notes for the period ended March 31, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This document has been reviewed by the Audit Committee of the Board of Directors of the Company and has been approved by the Board of Directors on May 27, 2019. All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to Mundoro is available on our website at www.mundoro.com and on the Canadian Securities Administrator's website at www.sedar.com.

2. FORWARD LOOKING STATEMENTS

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

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

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 27, 2019.
- Readers are cautioned not to place undue reliance on these forward-looking statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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

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

3. SUMMARY OF ACTIVITIES

Overview and Outlook

Mundoro is a Canadian mineral exploration and development TSX Venture listed company focused on building value for its shareholders through directly investing in mineral projects that have the ability to generate future returns for shareholders. Mundoro has generated an attractive mineral project pipeline in Serbia and Bulgaria, in order to drive long-term growth and achieve shareholder return. Potential future returns for our shareholders from our invested mineral properties can be in various forms such as discovery of mineral resources, royalties, advance royalty payments from partners, an interest in production, dividend payments or sale of our interest in the mineral property.

Mundoro has three transactions for its projects:

- an earn-in agreement with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") (the "**JOGMEC Agreement**") in which it has granted to JOGMEC an earn-in option on four of Mundoro's Serbian exploration licenses: Dubrava, Padina, Borsko Jezero and Zeleznik located within the northern portion of the Timok Magmatic Complex ("TMC") in northeastern Serbia.
- an earn-in agreement with Freeport-McMoRan Exploration Corporation ("**Freeport**"), in which Mundoro has granted to Freeport an earn-in option on Savinac and Bacevica exploration licenses located within the southern portion of the TMC in northeastern Serbia.
- a Generative Program Agreement (the "**Strategic Alliance**") in the Republic of Bulgaria with Japan Oil, Gas and Metals National Corporation to identify areas of interests that merit additional exploration and/or development work.

These three transactions reinforce the prospectivity and strategic location of Mundoro's land packages. In 2015, Mundoro had optioned the Company's four South Timok Licenses to First Quantum for a period of 6 months.

In Serbia, Mundoro methodically staked a district-scale land position in the prolific Timok mining camp which hosts significant Gold-Copper deposits. The Serbian exploration properties are all located near the town of Bor, a mining community which services the current government owned and operated mining operations, both open pit and underground, as well as a smelting and processing facility. The area has good infrastructure, well serviced roads and grid power.

In Bulgaria, Mundoro proactively applied for a 237.2 sq.km land position in an underexplored region of the Rhodopes known for precious metal deposits. Mundoro has generated drill targets on this land package for further exploration. Mundoro also has a minority investment in a private gold mining company.

Serbia Exploration Activity

The Company's mineral exploration license areas in the Republic of Serbia ("**Serbia**") total 598 square kilometers (sq.km) and are located in northeastern Serbia, approximately 100 km east of Belgrade, the capital of the country. The mineral exploration licenses are within the well-known Timok Magmatic Complex, a segment of the Tethyan Metallogenic Belt which runs from Eastern Europe to Asia. The TMC hosts significant gold (Au) – copper (Cu) porphyry deposits (Bor, Majdanpek, Veliki Kreveli, etc.) and related Cu-Au epithermal deposits (Chukaru Peki, Chelopech, etc.). The mineral exploration licenses are held through the Company's 100%-owned Serbian subsidiaries, and are: (i) Zeleznik (including adjoining licenses Crvena Zemlja, Radjina and Fresenis), (ii) Padina, (iii) Borsko Jezero ("Borkso"), (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, (viii) Dubrava-Ostrelj ("Dubrava").

JOGMEC-Mundoro Projects

On May 1, 2019, the Company announced it had been notified by Japan Oil, Gas and Metals National Corporation (JOGMEC) of its decision to undertake the Stage Two Earn-In on the Borsko-Jezero ("Borkso") license under the Earn-In Agreement between Mundoro and JOGMEC. Under the Earn-In Agreement with JOGMEC, Mundoro granted to JOGMEC an earn-in option on four of Mundoro's Serbian exploration licenses: Dubrava, Padina, Borsko Jezero and Zeleznik located within the northern portion of the Timok Magmatic Complex in northeastern Serbia. Under the terms of the Earn-In Agreement, JOGMEC was required to spend US$4 million to earn-in a 51% interest. JOGMEC spent US$5.09 million over the course of the Stage One Earn-In, which included US$500,000 in operator fees payable to Mundoro. JOGMEC has now elected to undertake the Stage Two Earn-In to sole fund exploration on the Borkso license. If JOGMEC completes the Stage Two Earn-In, JOGMEC will acquire an additional 24% interest in that license by having sole funded exploration and development expenditures of no less than US$32 million over a five-year term. JOGMEC may choose to cease sole funding at any time. JOGMEC has notified Mundoro the remaining three licenses: Zeleznik, Dubrava and Padina will be relinquished and revert 100% to Mundoro.

Zeleznik license (including adjoining licenses Crvena Zemlja, Fresenis and Radjina)

- Zeleznik is a 55.5 sq.km area located directly north of the Majdanpek mine and 45 km northwest of the Bor Mine Complex. The Company completed a NI 43-101 report for Zeleznik East Zone.

Dubrava license

- Dubrava totals 51 sq.km wrapping around the eastern side of the Bor Mine Complex and the Veliki Krivelj open pit mining operation, in the highly prospective, world-class TMC. No work is scheduled for Q1-2019.

Padina license

- Padina is located 4 km east of the Bor Mine Complex and totals 12 sq.km with the potential to host sediment hosted epithermal Au and Cu-Au porphyry style mineralization. No work is scheduled for Q1-2019.

Borsko license

- Borsko is a 35 sq.km area located near the central portion of the TMC. Borsko is directly adjacent and to the west of the producing Bor copper porphyry mine which is directly west of the Veliki Krivelj copper-gold porphyry mine.
- In March 2019, the Company announced completion of the third-year exploration program with Japan Oil, Gas and Metals National Corporation, on the Borsko license. This exploration program is the third year of the Phase I earn-in agreement with JOGMEC, which included primarily: (i) 57.6 line kilometers of Induced Polarization ("IP") geophysics, (ii) a gravity survey over 6 sq km and (iii) target testing drilling of 9090 m over 9 drill holes in Borsko. The final 2895.9 m of drilling was completed in Q1-2019 as part of the 9090 m drill program over various targets.
    - Drill hole 18-BJ-18, collared 200 m north-northwest of drill hole 17-BJ-12 aim to test Target 1 advanced argillic alteration zone extension to the north-northwest supported by CSAMT and density geophysical anomalies. Total of 1154.1 m were drilled while 390.3 m completed in Q1-2019.
    - Drill hole 18-BJ-19, collared on Target D and at about 2,000 m south-southwest from Target 1 aiming to test similar geophysical feature as the one identified at Target 1. During reported period 652.6 m have been drilled as part of the total of 948.0 m.
    - Drill hole 19-BJ-20, collared 200 m north-northwest of drill hole BJ-06 and 300 m east-northeast of 17-BJ-12 aim to test Target 1 advanced argillic alteration zone extension to the north-northwest supported by CSAMT and density geophysical anomalies. Total of 965.0 m was drilled in Q1-2019.
    - Drill hole 19-BJ-21, collared 200 m north-northwest of drill hole 19-BJ-20 and 200 m east-northeast of 18-BJ-18 aim to test Target 1 advanced argillic alteration zone extension to the north-northwest supported by CSAMT and density geophysical anomalies. Total of 888.0 m was drilled in Q1-2019.
- The completed assay results were obtained for all drill holes during Q1-2019. Elevated copper-gold-arsenic values were received which are indicative of high-sulphidation style of mineralization.

Freeport-Mundoro Projects

In July 2018, the Company entered into an earn-in agreement with Freeport-McMoRan Exploration Corporation ("Freeport") in which the Company has granted to Freeport an option to earn-in to Mundoro's Savinac and Bacevica exploration licenses (the "**Freeport-Mundoro Projects**"). Pursuant to the Agreement, Mundoro has granted to Freeport an option to earn, over two phases, up to a 75% interest in the Freeport-Mundoro Projects by sole funding expenditures of up to US$45 million. In Phase One*,* Freeport has the right to earn a 51% interest in the Freeport-Mundoro Projects by sole-funding US$5 million -in expenditures within three years. Mundoro will be the operator of the Freeport-Mundoro Projects in Phase One. In Phase Two*,* Freeport has the right, which it may elect within 60 days, to elect to enter Phase Two, whereupon it can earn an additional 24% interest in the Freeport-Mundoro Projects joint venture, for a total 75% joint venture interest, by sole-funding an additional US$40 million in expenditures (the "Phase Two Option") by the fifth anniversary of the election date. If Freeport (a) elects not to enter Phase Two, or (b) does not satisfy the Phase Two

Option, then Freeport will, for a period of ten (10) years thereafter, pay to Mundoro an annual fee of US$100,000 in each year in which the annual work program and budget for the Freeport-Mundoro Projects is a work program and budget proposed by Freeport. Additional Terms are if either party's interest in the Freeport-Mundoro Projects joint venture is reduced below 10% through dilution, the diluted party's interest will be converted to a 2% Net Smelter Returns Royalty ("NSR") of which up to 1% NSR can be re-purchased.

The Year 1, Phase I drill program, included 4,778 m of diamond drilling in seven drill holes, and tested four target areas. A total of 1,536.1 m of diamond drilling was completed during Q1-2019.

Tilva Rosh *(Savinac License)*

- This target is a large area of 2.5 km by 1 km of advanced argillic alteration containing epithermal gold mineralization cropping out at surface as observed through trench sampling by Mundoro in 2013 which returned *12 m of 30 g/t gold and 171 g/t silver*. Interpretation of drill results suggests the epithermal mineralization is proximal to a copper-gold porphyry system.
- Drill hole FMSC18006, was collared near this surface gold mineralisation and orientated to drill through the mineralization. Final depth of drill hole reached 1154.9 m.
- The drill hole intersected an interval for 263 m of fragmental volcanics from 190 m that display patchy-kaolinite texture with banded quartz-magnetite-specularite veins, which is suggestive for proximal porphyry source of the mineralization. A fault zone containing vuggy silica, massive pyrite, barite and patches of sphalerite cross cut the fragmental volcanic and returned an interval of ***7.3 m of 0.18% Cu and 3.22 g/t Au (2.39% CuEq)*** (see **Table 1**).
- At depth, the drill hole intersected diorite dykes that contain traces of chalcopyrite mineralization indicating relation to a porphyry source.
- Patchy texture, with dickite and pyrophyllite was also observed and mapped on surface 300 meters to the north of drill hole FMSC18006 and remains a compelling target for future testing.
- Targeting will continue with IP-Resistivity and CSAMT/NSAMT geophysics after which further drilling can be planned.

Markov Kamen *(Savinac License)*

- This area is another epithermal target identified by several copper-gold-in-soil geochemical anomalies related to *4 km by 1.2 km* zone of argillic and advanced argillic alteration. It is located 2 km south of the Tilva Rosh target. One hole drilled in 2015 at Markov Kamen intersected hydrothermal breccia, massive sulphides and vuggy silica, suggesting high-sulphidation type epithermal mineralisation controlled by northwest structures.
- Three drill holes FMSC18001, FMSC18003 and FMSC19007 tested the eastern contact of the advanced argillic zone. Results of note are (see **Table 1**).
- All three drill holes were terminated in andesitic country rock that display propylitic alteration at the east. Measured contacts to the country rock suggest the advanced argillic zone and the epithermal mineralisation remain open towards the west.
- Drill hole FMSC18005 was collared at the central portion of the Markov Kamen advanced argillic zone and was drilled sub vertical into a magnetic low anomaly to a depth of 1269.1 m. Drill hole intersected dominantly advanced argillic alteration determined by the presence of strong and pervasive silica intervals and hydrothermal breccias with anomalous gold grades.
- The advanced argillic zone remains open down plunge to the south and west beyond the vertical depth of 1200 m, where the drill hole was terminated due to the drill rig capacity.
- Targeting will continue with alteration mapping, IP-Resistivity and CSAMT/NSAMT geophysics after which further drilling can be planned.

Prekostenski *(Bacevica License)*

- This area is a copper-gold porphyry target identified from geochemical analysis surface sampling which resulted in *55 m of 0.28 g/t gold and 0.21 % copper* located in the western portion of the Bacevica license. The exploration work identified chalcopyrite-magnetite mineralisation hosted by potassic altered diorite.

(expressed in Canadian Dollars – except as noted otherwise)

- Drill hole FMSC18004 confirmed the extension of the surface mineralisation to a depth of 68.6 m. Quartz-pyrite-chalcopyrite veins were observed hosted in potassic altered diorite porphyry and returned an intercept of *49.8 metres of 0.14 g/t gold and 0.13 % copper* from surface (see **Table 1**).
- Detailed mapping, CSAMT/NSAMT and IP-Resistivity geophysics are planned in order to better define the lateral and vertical extension of the mineralised porphyry.

***Orlovo Brdo** (Bacevica License)*

- This target is a broad zone of phyllic alteration of *3 km by 700 m* with gold and copper anomalism located at the central portion of Bacevica license.
- One drill hole FMSC18002 was completed to a depth of 837 m. The drill hole intersected a zone of quartz vein stockwork mineralization related to potassic altered diorite at depth of 458 m overlain by phyllic alteration from surface. An intercept of *26.0 m of 0.23 g/t gold and 0.10 % copper from 458.0 m* (see **Table 1**).
- Detail mapping, CSAMT/NSAMT and IP-Resistivity geophysics are planned in order to better define the lateral and vertical extension of the mineralised porphyry.

Table 1 – Diamond Drill Hole Summary ResultsDrill hole ID	**From (m)**	**To (m)**	**Interval (m)**	**Copper (%)**	**Gold (g/t)**	**CuEq* (%)**	**Comments**
FMSC18001	76.0	77.8	1.8	0.15	0.01	0.16	*Markov Kamen North target; az.90/-50; drill hole length* **392.8m**
	90.9	100.7	9.8	0.15	0.01	0.16	
	116.5	118.5	2.0	0.16	0.02	0.16	
	192.5	204.5	12.0	0.07	0.13	0.16	
including	192.5	195.0	2.5	0.09	0.13	0.18	
including	197.0	200.6	3.6	0.14	0.14	0.24	
	228.0	230.5	2.5	0.10	0.23	0.26	
	243.2	244.5	1.3	0.30	0.15	0.40	
FMSC18002	258.0	264.0	6.0	0.07	0.16	0.18	*Orlovo brdo target; az.260/-65; drill hole length* **837.0m**
	396.0	**400.0**	**4.0**	**0.32**	**0.06**	**0.36**	
	458.0	484.0	26.0	0.10	0.23	0.26	
FMSC18003	**78.7**	**101.4**	**22.7**	**0.06**	**0.46**	**0.38**	*Markov Kamen North target; az.90/-60; drill hole lenght* **365.9m**
including	**84.7**	**99.4**	**14.7**	**0.08**	**0.64**	**0.52**	
	219.6	222.0	2.4	0.25	0.10	0.32	
FMSC18004	4.0	53.8	49.8	0.13	0.14	0.23	*Prekostenski potok target; az.260/-60; drill hole length* **302.9m**
FMSC18005	160.3	162.6	2.3	0.13	0.09	0.19	*Markov Kamen North target; az.180/-80; drill hole length* **1269.1m**
	221.0	243.2	22.2	0.03	0.11	0.11	
	308.4	**315.5**	**7.1**	**0.05**	**0.60**	**0.46**	
	380.9	384.9	4.0	0.03	0.21	0.17	
	395.7	408.0	12.3	0.02	0.24	0.18	
	469.0	481.0	12.0	0.03	0.24	0.19	
	489.2	513.6	24.4	0.05	0.08	0.11	
	571.1	573.0	1.9	0.21	0.22	0.36	
	591.5	594.2	2.7	0.04	0.21	0.18	
	750.6	**752.0**	**1.4**	**0.08**	**1.27**	**0.95**	
	874.8	**880.7**	**5.9**	**0.29**	**0.21**	**0.43**	
FMSC18006	147.8	150.0	2.2	0.11	0.06	0.15	*Tilva Rosh target; vertical; drill hole length* **1154.9m**
	376.0	400.0	24.0	0.08	0.24	0.24	
including	**379.1**	**383.8**	**4.7**	**0.06**	**0.60**	**0.47**	
including	388.0	392.0	4.0	0.10	0.28	0.29	
including	**398.0**	**400.0**	**2.0**	**0.07**	**0.64**	**0.51**	
	440.0	460.5	20.5	0.04	0.15	0.14	
	492.0	500.3	8.3	0.05	0.19	0.18	
	530.0	**579.0**	**49.0**	**0.06**	**0.66**	**0.51**	
including	**537.0**	**544.3**	**7.3**	**0.18**	**3.22**	**2.39**	

(expressed in Canadian Dollars – except as noted otherwise)

including	**565.0**	**577.0**	**12.0**	**0.10**	**0.42**	**0.39**	
	887.3	898.0	10.7	0.03	0.27	0.22	
	933.9	937.0	3.1	0.03	0.18	0.15	
	1019.5	1021.0	1.5	0.16	0.02	0.17	
FMSC19007	**65.0**	**101.0**	**36.0**	**0.19**	**0.25**	**0.36**	*Markov Kamen South target; vertical; drill hole length* **455.6m**
including	**85.0**	**101.0**	**16.0**	**0.24**	**0.51**	**0.59**	
	138.4	174.0	35.6	0.17	0.16	0.28	
including	**156.0**	**162.0**	**6.0**	**0.43**	**0.14**	**0.53**	
	281.0	**285.0**	**4.0**	**0.02**	**1.35**	**0.95**	

**Copper equivalent (CuEq%) is calculated using the formula CuEq = (%Cu) + [(g/t/AuEq) x (1/31.1035) x ($/ozAu)] ÷ [(22.0462) x ($/lbCu)]. Metal prices used are: gold price of US$1,268/oz, copper price of US$2.7/lb. All thicknesses from intersections from drill holes are down-hole drilled thicknesses or outcrop sample length thickness and not true widths.*

Licenses available for Third Parties

The licenses available to third parties in Serbia include: the two Timok South licenses, Sumrakovac and Osnic, the relinquished Timok North licenses, Zeleznik, Padina and Dubrava as well as various licenses in Bulgaria. Mundoro has been approached by third parties regarding the opportunity to joint venture these licenses. Although there are discussions, the Company cannot provide assurance that a transaction will be concluded as a result of these discussions. The ongoing interest in the Company's exploration properties by third parties validates the exploration potential of these projects. Any work carried out on these licenses was primarily focused on facilitating third party discussions.

Sumrakovac license is a 106 sq.km area located 5 km southwest of the Bor Mine Complex and is adjacent on the west side to the Freeport-Zijin Timok licenses. The Company submitted the final report to the Ministry with an application for a 2-years extension to the license area.

Osnic license totals 76 sq.km and is located directly east of the Savinac and Sumrakovac license. The Company submitted the final report to the Ministry with an application for a 2-years extension to the license area.

Bulgaria Exploration Activity

The Company's mineral exploration contracts in the Republic of Bulgaria ("**Bulgaria**"), which are held through its 100%-owned subsidiary Bulgaria Alpha EAD ("**BAE**"), are: (i) Zvezda and, (ii) Byalo. The Zvezda and Byalo licenses are located in the Southeastern Rhodopes region which is a well-known mineral district that has been underexplored for epithermal low sulphidation Au-Ag veins, as well as disseminated, sediment hosted gold and porphyry copper-gold deposits. Key deposits in this area are Chala, Kumovgrad (Ada-tepe), and Rozino. The two exploration contract areas are located over the Borovitsa Volcanic Complex which is host to a currently producing gold mine owned by a private Bulgarian company in which Mundoro owns a 2.9% equity interest.

Zvezda license is an 87.2 sq.km area located in southeastern Bulgaria 270 km southeast of Sofia, within the Rhodopean region of the Tethyan metallogenic belt. Zvezda is directly south and contiguous with Mundoro's 100% owned Byalo license. The Company received a 2-year extension in Q2-2018 and reduced the license area from 94 to 87 sq.km. After completing a drill program in Q4-2018, which was funded by a private company through an Option Agreement, the private company terminated the Option Agreement. The Zvezda license continues to be 100% held through BAE.

Byalo license is a 150 sq.km area located within the Rhodope mountains in southeastern Bulgaria, 250 km southeast of Sofia. Byalo is directly north of, and contiguous with, Mundoro's 100% owned Zvezda license. Several prospects within the license are evaluated, of which the Chuka porphyry copper-gold target was subject to a 1000 m drill program in three inclined diamond drill holes which successfully intersected a porphyry style system and copper mineralization (see press release dated January 9, 2017). The Company compiled and submitted a final report for with an application for a 2-year extension of the license. BAE is waiting for the extension of the exploration contract to be signed by the Ministry of Energy.

Strategic Alliance

In March 2019 Mundoro entered into a Generative Program Agreement (the **"Strategic Alliance"**) in the Republic of Bulgaria with Japan Oil, Gas and Metals National Corporation (**"JOGMEC"**). The purpose of this Strategic Alliance is to establish a generative program between Mundoro and JOGMEC, whereby Mundoro will carry out mineral exploration activities in Bulgaria under the direction of a joint Technical Committee with the view of identifying areas of interests that merit additional exploration and/or development work. JOGMEC will sole fund the Strategic Alliance. The term of the generative program under the Strategic Alliance continues until December 31, 2019, subject to extension with consent of both parties. Upon JOGMEC determining that one or more properties merit additional exploration and/or development work, JOGMEC has the right to establish a joint venture on that property with Mundoro. Target generative work is planned to start in April 2019 with data compilation, field observations and interpretation of selected areas of interest.

Generative Programs

Svoboda is located in the Panagyurishte Region which is approximately 100 km south-east of Sofia. Svoboda covers an area of 189 sq.km. (18,900 hectares) of the south-eastern portion of the Panagyurishte Metallogenic Zone ("Panagyurishte"). The Panagyurishte Belt is the most prospective belt for copper and gold porphyry and epithermal high sulphidation deposits in Bulgaria. It is part of the upper Cretaceous Banat-Timok-Srednogorie Belt which hosts a number of economically viable porphyry and epithermal copper and gold deposits such as the: Moldova Nova, Majdanpek, Bor and Chelopech. BAE was announced in September 2017 as the winner of the Svoboda tender and was issued an exploration license by the Ministry of Energy in November 2018. Further legal proceedings and administrative steps are required before an exploration contract can be signed between BAE and the Ministry of Energy.

Pesnopoy exploration area covers a 35.95 sq.km (3,595 hectares) located within the eastern Rhodopean Region part of Tertiary Volcanic Arc in southeastern Bulgaria, 275 km southeast of Sofia. It is 15 km to the southwest of BAE's Zvezda license. Pesnopoy is part of the same mineral district as Zvezda and Byalo licenses in the southeastern Rhodopes and is historically known for epithermal low sulphidation gold-silver vein-type, as well as disseminated, sediment hosted gold and porphyry copper-gold deposits. In September 2017, BAE was announced the winner of a tender for the Pesnopoy exploration area. Further procedural and administrative steps are required before an exploration contract can be signed between BAE and the Ministry of Energy.

4. RESULTS OF OPERATIONS

The Company ended Q1-2019 with $3,054,846 in cash and cash equivalents. Mundoro has no long-term debt.

Summary of Quarterly Results

C$ Thousands	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
Exploration and project evaluation	(1,369)	(1,741)	(954)	(838)	(689)	(1,438)	(829)	(997)
Recoveries from partners	940	1,511	732	457	422	1,173	484	264
Operator fees earned [(1)]	102	149	53	41	42	117	48	47
Net Exploration and project evaluation	(327)	(81)	(169)	(340)	(225)	(148)	(297)	(686)
Corporate expenses [(2)]	(222)	(247)	(176)	(234)	(185)	(170)	(202)	(235)
Loss before other (expenses) income	(549)	(328)	(345)	(574)	(410)	(318)	(499)	(921)
Other income (expense) [(3)]	(143)	263	(65)	(149)	4	(114)	(67)	(97)
Loss for the period	(692)	(65)	(410)	(723)	(406)	(432)	(566)	(1,018)
Loss per share:								
Basic	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.02)
Diluted	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.02)

1. Under Earn-In Agreements, Mundoro is paid a fee for its role as the operator.
2. Corporate Expenses include accounting and audit, corporate governance, corporate communication, and general and administrative expenses.
3. Other income (expense) includes share-based compensation, the impact of foreign exchange fluctuations, and the change in the fair value of the Company's investments.

Fluctuations in exploration and project evaluation costs depend on the Company's activities from period to period. The other principal factors that cause fluctuations in the Company's results relate to non-cash items include: (i) the timing of stock option grants; (ii) the write-down of mineral properties; and (iii) any changes in the fair value of the Company's investments in equity instruments.

Review of Operations for the Quarter Ended March 31, 2019 Compared to the Quarter Ended March 31, 2018

For the three months ended March 31, 2019, the Company recorded a loss of $692,114 ($0.01 per share), compared to a net loss of $405,447 ($0.01 per share) for the three months ended March 31, 2018.

The Company's exploration activities during the first three months of 2019 included drilling programs in Serbia. The Company's exploration costs were higher for the three months ended March 31, 2019 at $1,368,826 compared to $689,391 for the three months ended March 31, 2018. Exploration costs related to the JOGMEC-Mundoro Projects and Freeport-Mundoro Projects were sole-funded by option partners. Recoveries from option partners during the periods ended March 31, 2019 and 2018, amounted to $940,352 and $422,302, resulting in net exploration costs of $428,474 and $267,089, respectively. During the periods ended March 31, 2019 and 2018, the Company also received operator fees of $101,662 and $42,276 for its role as the operator on Earn-In Agreements.

During the current period, Mundoro incurred higher corporate expenses mainly due to increased general and administrative, accounting and audit and corporate communication costs.

Share-based payments expense were lower due to less incentive stock options vesting during the period ended March 31, 2019. The Company recognized a foreign exchange loss during the first three months of 2019 compared to a gain during the comparative period due to fluctuations primarily related to Mundoro's US dollar denominated cash deposits and also recognized a gain of $174,572 for the first three months of 2018 due to an increase in the fair value of the Company's equity interest in a privately held gold producing company in Bulgaria.

(expressed in Canadian Dollars – except as noted otherwise)

All other costs incurred by the Company remained relatively consistent between the two periods.

Liquidity and Capital Resources

The Company's principal source of liquidity as at March 31, 2019 was cash and cash equivalents totaling $3,054,846 (December 31, 2018 – $4,508,894).

During the three months ended March 31, 2019, the Company's cash used by operating activities amounted to $1,753,245 compared to cash used in operating activities of $80,452 during the three months ended March 31, 2018, with the increase primarily attributable to the additional funds received from JOGMEC for the Company's exploration activities on the JOGMEC-Mundoro Projects during the three months ended March 31, 2018. Except for purchasing its short-term investments with cash and redeeming certain mineral property guarantee deposits in Bulgaria during the three months ended March 31, 2018, the Company's other investing activities were limited in both periods.

The Company may require further financing over the next twelve months. The Company will explore appropriate financing routes which may include: additional issuance of share capital; funding through additional joint ventures or strategic partnership; project debt; convertible securities; or other financial instruments.

With the exception of interest earned on investments, the Company does not generate any income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities.

As at the date of this MD&A, the Company has 69,324,025 common shares outstanding, 4,942,500 stock options granted at exercise prices ranging from $0.11 to $0.30, expiring between January 2020 and May 2023, and 8,601,958 share purchase warrants outstanding with exercise prices of $0.20 per share; all expiring between November 2020 and December 2020. As at the date of this MD&A and with market value of the Company's common shares of $0.12 per share, the exercise of all exercisable in-the-money stock options and warrants would result in additional cash proceeds for the Company of approximately $13,000.

5. RELATED PARTY TRANSACTIONS

Under IAS 24 "Related Party Disclosures", related parties include members of the key management personnel of the reporting entity and related party transactions encompasses compensation including short-term employee benefits such as wages, salaries, social security contributions and share-based payments.

Key management personnel include members of the Board of Directors and executive officers of the Company. The Company's directors receive annual retainers for services provided to the board and committees on which they sit, as well as compensation for meeting attendance. Executive officers, directors, employees and consultants of the Company also participate in the Company's share option program. The Company incurred the following expenses related to key management personnel:

Expenses by nature:	For the three months ended	
	March 31, 2019	March 31, 2018
Directors' fees	$ 15,050	$ 16,308
Short-term management salaries and benefits	99,695	61,752
Share based payments - Directors	4,261	6,196
Share based payments - Management	6,634	8,967
	$ 125,640	$ 93,223

6. OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements for the Company.

7. USE OF FINANCIAL INSTRUMENTS

The Company is not in a situation where it needs to enter into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. The principal financial instruments affecting the Company's financial condition and results of operations are currently its cash and cash equivalents. The Company is exposed to foreign exchange rate fluctuations in respect of cash and cash equivalents held in foreign currencies.

The Company is exposed to insignificant interest rate risk with respect to its cash and cash equivalents given the extremely low market interest rates. The majority of the Company's cash has been placed with a Canadian Chartered Bank and held in GICs, bankers' acceptances and other money market instruments issued by Canadian Federal and Provincial governments and other entities with a Dominion Bond Rating Service credit rating of R1M or higher.

8. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective January 1, 2019, the Company adopted IFRS 16 – Leases.

IFRS 16, Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Under the new standard all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing. The new leasing standard results in lease assets previously recorded as operating leases now being recognized as "right of use" assets on the statement of financial position. IFRS 16 is applicable to all entities and will supersede current lease accounting standards under IFRS. There was no material impact upon adoption.

9. DISCLOSURE CONTROLS AND PROCEDURES UPDATE

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by Mundoro is accumulated and communicated to management, as appropriate, to allow for timely decisions regarding required disclosure. The Company has concluded, based on its evaluation as of the end of the year that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Mundoro, including the consolidated subsidiaries, is made known to them by others within all entities in the group. It should be noted that while the Company believes that the disclosure controls and procedures provide a reasonable level of assurance and that they are effective, it does not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

10. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company is responsible for designing internal controls over financial reporting or causing them to be designed under the supervision of the CEO and CFO in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost-effective basis disclosure controls and procedures as well as internal controls over financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Although potential weaknesses exist in the Company's internal controls, due to the lack of segregation of incompatible duties, management and the board of directors work to mitigate the risk of a material misstatement in financial reporting. However, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement occurring.

11. RISKS AND UNCERTAINTIES

The Company is a mineral acquisition, exploration, development and investment company and is exposed to a number of risks and uncertainties that are common to other companies in the same business. An investment in the securities of the Company is speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from estimates described in forward-looking statements made by the Company. Prospective investors should carefully consider these risk factors as it is not always possible to fully insure against some or any of the risk factors. Risks to be considered include but are not limited to:

Exploration & Development

Exploration is highly speculative in nature and exploration projects involve many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with mineralisation is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish mineral reserves and to permit and construct mining and processing facilities. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit.

It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by a number of factors. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. They typically require a number of years and significant expenditures during the development phase before production is possible. The economic feasibility of development projects is based on many factors such as: estimation of reserves; anticipated metallurgical recoveries; environmental considerations and permitting; future gold prices; and anticipated capital and operating costs.

Future development and operations in foreign countries may be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted.

Global Financial Condition

Financial conditions globally continue to experience significant volatility following the U.S. led financial crisis in 2008, which impacted numerous financial institutions globally, and more recently the escalating financial turmoil in Europe. Each has created considerable uncertainty as a result of excessive government debt levels and the unprecedented steps being taken to avert a full-blown global crisis. These factors may impact the ability of the Company to issue debt and equity in the future and to issue it on terms that are reasonable to the Company. Although there have been certain signs of economic recovery, these increased levels of volatility and market turmoil may continue and, as a result, the Company's business, financial condition, results of operations and share price could be adversely impacted.

Environmental Laws and Regulations

The Company's operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. Mundoro minimizes these risks by complying with all applicable and international environmental, health and safety standards and regulations. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. In addition, certain types of operations require the submission of environmental impact statements and approval by government authorities. Environmental legislation is evolving towards stricter standards, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Any future changes to these laws could adversely affect our financial condition, liquidity or results of operations. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation.

Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. The Company's business may be affected by amendments or changes to environmental laws, regulations and requirements in the host country. At any time, a number of draft environmental laws may be proposed. It is not possible to predict when or if a draft environmental bill will be enacted into law or what the final provisions of such law will be, if enacted. It is possible that the host country government will issue further decrees or otherwise attempt to modify existing environmental rights or other laws affecting the Company, its properties and its ability to operate in the host country. Any changes to host country environmental law may adversely affect the Company's ability to develop and operate its properties in the host country. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect Mundoro's operations.

Permits and Licensing

Exploration, development and operation of a mineral property are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labour standards, reclamation obligations, heritage and historic matters and other matters. The Company is required to have a wide variety of permits from government and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. The owners and operators of the properties in which Mundoro holds an interest require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such licenses and permits could have a material adverse impact on the costs Mundoro incurs. Such licenses and permits are subject to change in various circumstances and are required to be kept in good standing through a variety of means, including cash payments and satisfaction of conditions of issue. There can be no guarantee that Mundoro or the operators of those properties in which Mundoro holds an interest, will be able to obtain on a timely basis or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining operations that economically justify the cost. Any failure to comply with applicable laws and regulations, permits and licenses, or to maintain permits and licenses in good standing, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or fines, penalties or other liabilities accruing to the owner or operator of the project. Any such occurrence could cause the termination of operations on the property, and thereby have a material and adverse effect on Mundoro's results of operation and financial condition.

Competition

The mining industry is competitive with many companies competing for the limited number of mineral resource acquisition and exploration opportunities. The Company faces competition from other mining companies in connection with the acquisition of properties. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. Many companies are engaged in the search for and the acquisition of mineral interests, and there is a limited supply of desirable mineral interests. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain attractive mineral properties or operations on economically acceptable terms. Consequently, the Company's business, results of operations and financial condition could be materially adversely affected.

Hiring of Key Personnel

The success of Mundoro will be largely dependent on the performance of its management team. The loss of the services of these persons would have a materially adverse effect on Mundoro's business and prospects. There is no assurance Mundoro can retain the services of its officers or other qualified personnel required to operate its business. Mundoro's success depends on attracting and retaining qualified personnel in a competitive labour environment. The Company's operations are based in Mexico, Serbia and Bulgaria and finding or hiring qualified people or obtaining all necessary services for the Company's operations may be difficult.

Commodities

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

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The Company reports in Canadian dollars while the majority of operating and capital expenditures are denominated in the Mexican peso, Canadian dollar, U.S. dollar, Serbian dinar and the Bulgarian lev, which is pegged to the Euro. Fluctuations in exchange rates between the U.S. dollar and the Euro, the Canadian dollar and the Serbian dinar and Bulgarian lev, the Canadian dollar and the U.S. dollar, and the Canadian dollar and the Mexican Peso give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's results of operations and financial condition. The Company does not anticipate entering into hedging or derivative arrangements to manage its foreign exchange risk.

Financing

Mundoro has finite financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that Mundoro will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities and may result in a material adverse effect on Mundoro's profitability, results of operation and financial condition.

Price Volatility

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

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share-based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the common shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a depressive effect on the price of the common shares.

Investments

The Company from time to time, intends to participate in a limited number of investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single investment. In addition, as the Company's investments are expected to be concentrated in the resource sector, the Company's performance will be disproportionately subject to adverse developments in the resource sector.

Conflicts of Interest

Certain of the directors of Mundoro also serve as directors or officers, or have significant shareholdings in, other companies involved in mineral property investments and, to the extent that such other companies may participate in ventures which Mundoro may participate in, a conflict may arise. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in applicable laws.

Insured and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in operations, monetary losses and possible legal liability. In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made. Losses arising from any such events that are not fully insured may cause the Company to incur significant costs that could have a material adverse effect on its business, financial condition and results of operations.

Mineral Resources and Reserves Estimates

The mineral reserves and resources identified on properties are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill holes or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties constitute or will be converted into reserves. Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralisation uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the operators to reduce their reserves and resources, which may result in a material and adverse effect on Mundoro's results of operation and financial condition.

Title to Properties

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

Foreign Operations

The Company's operations consist of the acquisition, exploration, development and investment in mineral resource properties. The majority of the Company's operations and business are outside of Canada, and as such, the Company's operations are exposed to various political and other risks and uncertainties. The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among Mundoro and such entities could restrict or impact the Company's ability to fund its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's business, financial condition and results of operations.

Foreign Country Political Environment

Mundoro operates in foreign countries and the Company's operations in these foreign jurisdictions may be subject to geopolitical, economic and other risks, as evidenced in Eastern Europe, China and Mexico, that may affect the Company's future operations and financial position. There is sovereign risk in investing in foreign countries, including the risk that the resource concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or changes in their enforcement or regulatory interpretation could result in adverse changes to mineral operations. These are matters over which Mundoro has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability to undertake exploration and development on the properties on which Mundoro holds royalty or other interests. In certain areas in which Mundoro has an interest, the regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of Mundoro and such changes may result in a material and adverse effect on Mundoro's results of operation and financial condition. Investors should assess the political risks of investing in a foreign country. Any variation from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Company. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the government of the foreign country or by its court system.

Security and Safety

The Company has projects located in the State of Chihuahua, Mexico. Although the Company has curtailed exploration activity in Mexico, we still maintain one concession. Criminal activities in the region or the perception that such activities are likely, may disrupt the Company's exploration programs, hamper the Company's ability to hire and keep qualified personnel, and impair the Company's access to sources of capital. Risks associated with conducting business in the region include risks relating to the safety of personnel and assets. Such risks may include, but are not limited to: kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft of Company or personal assets. These risks may result in serious adverse consequences including personal injuries, kidnappings or death, property damage or theft, limiting or disrupting exploration programs, restricting the movement of funds, impairing contractual rights, or causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial condition and make it more difficult for the Company to obtain required financing. Although the Company has developed precautions regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts are able to effectively mitigate risks and safeguard personnel and Company's property effectively.

Litigation

All industries, including mining, are subject to legal claims that can be with and without merit. Defense and settlement costs can be substantial, even for claims that have no merit. Potential litigation may arise with respect to a property in which Mundoro is in the process of evaluating as a strategic investment and/or holds an interest directly or indirectly in an exploring, developing and/or operating mineral property now or in the future (for example, litigation between joint venture partners or original property owners). Mundoro might not generally have any influence on the litigation nor will it necessarily have access to data. To the extent that litigation results in the cessation or reduction of production from a property (whether temporary or permanent), it could have a material and adverse effect on Mundoro's results of operations and financial condition. The litigation process is inherently uncertain, so there can be no assurance that the resolution of a legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and Mundoro may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have an adverse effect on the Company's business, financial condition and results of operations.

12. QUALIFIED PERSONS & INFORMATION CONCERNING ESTIMATES OF RESOURCES

On April 15, 2013, Mundoro announced the completion of the NI 43-101 compliant technical report on the Company's 100%-owned Borsko Jezero Property in Bor, Serbia (the "Borsko Jezero Technical Report"). The Borsko Jezero Property is located in Northeastern Serbia and covers (46 sq.km). The Borsko Jezero Technical Report was prepared by D. Power-Fardy, P. Geo., EurGeol and Senior Geologist with Watts, Griffis and McOuat Limited, Consulting Geologists and Engineers of Toronto, Canada, and G. Magaranov, P. Geo., EurGeol and Senior Exploration Manager, SE Europe for Mundoro, both of whom are a Qualified Person as defined by NI 43-101

This management discussion and analysis of financial results uses the terms "measured resources", 'indicated resources' and 'inferred resources'. The Company advises investors that although these terms are recognized and required by Canadian regulations (under NI 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, 'inferred resources' have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Assessments as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable. Mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.