MUNDORO

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2017

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 June 30, 2017, 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 August 29, 2017. 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 August 29, 2017.
- 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, an interest in production, dividend payments or sale of our interest in the mineral property.

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 thriving 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. Mundoro has signed a binding Interim Agreement (the "**Interim Agreement**") with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") in which it has granted to JOGMEC an earn-in option on four of eight of Mundoro's Serbian exploration licenses: Dubrava, Padina, Borsko Jezero and Zeleznik located within the Timok Magmatic Complex in northeastern Serbia. This Interim Agreement represents the Company's second strategic partnership in the last couple of years, which reinforces the strategic location of Mundoro's land package in the Tethyan belt. In 2015, Mundoro had optioned the four southern projects to First Quantum for a period of 6 months.

In Bulgaria, Mundoro proactively staked a 400 sqkm land position in an under explored 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.

In Mexico, Mundoro holds investments in mineral projects that we are seeking to monetize or joint venture.

Serbia Exploration Program

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 ("**TMC**"), 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 subsidiary Stara Planina Resources EAD, and are: (i) Zeleznik (including adjoining licenses Crvena Zemlja and Fresenis), (ii) Padina, (iii) Borsko Jezero ("Borkso"), (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, (viii) Dubrava-Ostrelj ("Dubrava").

The Company has Interim Agreement with JOGMEC, in which Mundoro has granted to JOGMEC an earn-in option on four of Mundoro's exploration licenses: Dubrava, Padina, Zeleznik and Borsko (the "**Timok North Projects**") located within the Timok Magmatic Complex in northeastern Serbia.

Summary of activity:

Northern Licenses under JOGMEC Agreement

Zeleznik license

- Zeleznik is a 45 sq.km area located directly north of the Majdanpek mine and 45 km northwest of the Bor Mine Complex. At the southern end of the property, the Company has identified anomalous copper (Cu) – molybdenum (Mo) – gold (Au) geochemical results related to two andesite-diorite porphyry intrusions: (i) the western anomaly is 600 m x 450 m and is open to the north and south, and (ii) the eastern anomaly is 300 m x 300 m dipping under a limestone cap to the northeast. In 2015, the Company applied and was granted a 2-year extension of Zeleznik exploration license.

- During Q2-2017, exploration work on Zeleznik continued at the Central and North targets. A geophysics Gradient Array survey has been completed over both targets. The Central target was covered with 600 m x 400 m grid while the North target is covered with 770 m x 500 m grid with 50 m line spacing and 25 m station distance on both targets. At the Central target the main goal is to get better understanding of the structurally controlled sulphide mineralisation which carries high gold grades confirmed in rock chip samples such as 3m @ 9.44 g/t Au, 1.5m @ 11.75 g/t Au. At North target the survey covered the area of soil multi-geochemical anomalies. The results are under processing and interpretation.
- Land access application is in progress with Serbian Forestry Department for the 2017 Phase 2 drill program on the Zeleznik West Zone and East Zone. Phase 2 drilling is planned to commence in Q3 and complete in Q42017.
- To the south of the Zeleznik license the Company completed a soil sampling program with grid spacing of 100 m x 50 m at the central and eastern part of the license and 200 m x 200 m grid spacing at western part of the Crvena Zemlja 2.99 sq. km. license ("Crvena"). A total of 537 samples were collected. The results confirmed continuation to the south of Cu-Au-Mo anomalies of the West Zone and East Zone targets enlarging the anomalous areas with approximately 500 m.
- Ground magnetics and IP/Resistivity geophysical surveys were also completed over Crvena along 5 lines spaced 100 m, 3.2 m long totaling 16 sq.km for each of the geophyscial methods. Analysis of the results confirmed extension of the existing geophysical anomalies of the West Zone and East Zone targets towards the south. The Company has planned a trenching program, detailed mapping and rock geochemical sampling over the main geochemical and geophysical anomalies of Crvena during Q3.

Dubrava license

- Dubrava totals 51 sq.km and wrapping around the eastern side of the Bor Mine Complex and the Veliki Kreveli open pit mining operation, in the highly prospective, world-class TMC. The 2015 exploration activity consisted of a CSAMT geophysical survey over the southern portion of the license in order to follow up on the hydrothermal breccia intersected in drillhole BJ04 from the 2013 drilling program and continue along strike of regional structures controlling the Bor and Krivelj Cu-Au epithermal and porphyry orebodies. The results highlighted a low resistivity anomaly in the vicinity of drillhole BJ04 which is 250 m wide and open to the west. The low resistivity anomaly may be associated with fractured and clayey volcanic rocks or hydrothermal volcanic breccia within the NNW fault zone.
- No field work was carried out during Q1 and Q2 2017.
- The Company is planning for structural interpretation over the central licenses which will be combined with detailed interpretation of all results obtained to date in order to prioritize the next phase of exploration.

Padina license

- Padina is located 4km 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. In 2015, the Company completed a CSAMT geophysical survey over the southwestern portion of the license in order to assess the area and generate drill targets related to the regional Krivelj fault known to control the Veliki Krivelj Cu-Au porphyry orebody which has been interpreted to continue along strike through both the Padina and Dubrava licenses.
- No field work was carried out during Q1 and Q2 2017.
- The Company is planning for structural interpretation of this license area along with the Dubrava license area.

Borsko Jezero license

- Borsko Jezero license ("Borsko") is a 35 sq.km area located near the central portion of the Timok Magmatic Complex. Borsko is directly adjacent to the west of the producing Bor copper porphyry mine which is directly west of the Veliki Krivelj copper-gold porphyry mine.

(expressed in Canadian Dollars – except as noted otherwise)

- The Company completed three drill holes designed to test two of the six generated drill targets at Borsko Jezero license. Total of 3125.5 m were drilled, 2123.5 m at target 1 (holes BJ-06 and BJ-07) and 1002 m at target 2 (hole BJ-08).

- Drilling at target 1 shows that an advanced argillic lithocap underlies 550 m of little-altered andesitic volcanic rocks, which was in existence at the time the advanced argillic alteration took place. The lithocap is weakly mineralized but, importantly, the highest copper and gold assay values lie immediately beneath its top, which is the equivalent stratigraphic position of the Bor and Čukaru Peki high-sulphidation copper-gold orebodies with respect to their associated lithocaps. Drill hole BJ-06, which tested one of the newly generated drill targets (Target 1) at Borsko successfully demonstrated that a potentially mineralised system exists under overlying andesitic flows. This drill hole targeted an interpreted blind system at Target 1. Targeting was based on geophysical data and geological interpretation. The hole was completed at a depth of 821.6 m. Based on the visual inspection of BJ-06, Mundoro and JOGMEC determined to extend the drill program to further test Target 1 with a follow up drill hole, BJ-07, up to 1300 m length. Hole BJ-07 exits the lithocap at depth and intersects pyrite-bearing propalitic alteration, which is interpreted to be the outer halo of a porphyry copper-gold center. Additional holes are planned in order to search for high-sulphidation orebodies at the top of the Borsko lithocap.

- BJ-08 was designed to test Target 2 with a planned depth of 700 m. Based on visual inspection of the core, Mundoro and JOGMEC determined to extend the drilling to 1,002 m. Target 2 was based on geophysical data and structural interpretation in relation to surface geochemistry and hydrothermal alteration.

Table 1: Borsko Jezero – Drilling program 2017 – Assay results

Borsko Jezero license - Drilling Program 2013&2017 - Assays							
Drill Hole ID	**From (m)**	**To (m)**	**Interval (m)**	**Cu (%)**	**Au (g/t)**	**CuEq (%)**	**AuEq (g/t)**
BJ-06	758.4	767.0	8.6	0.023	0.2	0.17	0.23
Including	764.6	765.2	0.6	0.18	0.78	0.74	1.03
BJ-07	607.9	609.0	1.4	0.004	1.03	0.74	1.04
	734.0	738.4	4.4	0.014	0.16	0.13	0.18
	768.3	775.0	6.7	0.006	0.21	0.16	0.22
	872.0	**880.0**	**8.0**	-	**0.17**	-	-
Including	**875.1**	**875.5**	**0.4**	-	**0.65**	.	.
BJ-07	**989.2**	**992.5**	**3**	-	**0.15**	-	-
BJ-07	**1005**	**1013.8**	**8.8**	-	**0.13**	-	-
BJ-08	625.0	627.0	2.0	0.1	0.007	0.11	0.15
	942.4	943.3	0.9	2.63	0.83	3.23	4.43

Note: Cu Eq % = (Cu % + ((Au grade x Au price)/(22.0462 x Cu price x 31.0135 g/t)
Au Eq g/t = Au g/t + (Cu grade x ((Cu price per lb/Au price per oz) x 0.06857 lbs per oz x 10000 g per %))
Price on 31st July 2017: 2.8803 $/lb Cu, 1267.8 $/oz Au (source: http://bigcharts.marketwatch.com)

- In order to further test the Borsko Target 1 for its copper-gold potential, the Company has designed the Phase II drill program, a step-out drilling program in order to attain vectoring information towards high sulphidation system. The Phase II drill program will step out from Target 1 with four diamond drill holes, each with a depth of 750 m totaling approximately 3000 m.

- The Company submitted an application to the Ministry for 3 years extension of Borsko Jezero exploration license.

South Timok Licenses available for JV

The four southern licenses Savinac, Sumrakovac, Bacevica and Osnic ("South Timok Licenses") are available for partnership with third parties. Mundoro has been approached by third parties regarding the opportunity to joint venture these properties. 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.

Sumrakovac license

- 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-Nevsun Timok JV license. No work was carried out during at Sumrakovac license during Q2 2017.

Savinac license

- Savinac license is a 90 sq.km area that is located 15 km southwest of the Bor Mine Complex. The property contains a significant area of strong alteration in a ~14 sq.km elongated belt which hosts several epithermal Cu-Au prospects marked by Cu-Mo-Ag-Pb-Zn geochemical anomalies.

- During the Q2-2017 the Company completed a Phase II drilling program at Tilva Rosh designed to test mineralization along 400 m of strike to an average depth of 100 m as follow-up to the discovery trench, which contained a 12 m interval of 30 g/t gold and 171 g/t silver, and to the initial drill testing of this area. The Phase II drill program comprised 14 inclined reverse circulation drill holes totaling 1144 m.

- The Phase II drill program results at Tilva Rosh support the continuation of the main north-south trending mineralised structure over a length of at least 250 m. The surface trace of the structure strikes towards the north and under the lithocap. The lithocap appears to be displaced by late east-west faults resulting in uplifting the southern portion and uncovering the Tilva Rosh mineralisation. A significant portion of the lithocap over the larger northern block appears to be preserved. It continues for at least another 650 m from the edge of the intersected mineralised structure and is marked by a gold-silver-in-soil anomaly with elevated molybdenum. The Tilva Rosh lithocap is zinc free but bordered by a prominent 100-600 ppm Zinc anomaly reminiscent of the zinc distribution in porphyry copper systems. Recent detailed mapping of the lithocap revealed patchy alteration texture composed of pyrophyllite-replaced clasts in a silicified matrix and banded quartz veinlets. This is a promising sign that a porphyry copper center could occur at depth in the general vicinity of the lithocap.

- Highlights from Phase II drilling at Tilva Rosh are shown in Table 2:

(expressed in Canadian Dollars – except as noted otherwise)

Table 2: Savinac license Assay results from drilling program 2017 –

Drill Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	CuEq (%)
17-SAV-07	20	24	4	0.52	0.47	2.83	1.21	0.88
	35	41	6	1.29	0.8	11	2.56	1.86
Including	35	36	1	1.53	1.91	8.8	4.28	3.12
Including	40	41	1	1.28	1.46	8.1	3.41	2.48
17-SAV-08	101	104	3	3.72	0.19	22.67	4.33	3.16
17-SAV-09	25	30	5	0.32	-----	3.48	0.37	0.27
17-SAV-10	63	78	15	0.37	0.24	2.2	0.73	0.54
Including	64	71	7	0.63	0.43	4.39	1.29	0.94
Including	65	66	1	1.25	1.12	7.2	2.9	2.11
	88	92	4	0.45	-----	1.45	0.47	0.34
17-SAV-11	35	39	4	0.57	0.13	0.5	0.76	0.55
Including	38	39	1	1.91	0.23	1.1	2.24	1.64
	139	145	6	0.45	-----	1.8	0.48	0.35
17-SAV-12	5	11	6	0.65	------	7.97	0.77	0.56
17-SAV-13	34	42	8	0.92	-----	8.1	1.06	0.76
17-SAV-15	88	94	6	0.74	-----	7.5	0.86	0.62
17-SAV-17	50	60	10	0.54	0.23	4.8	0.93	0.68
Including	55	60	5	0.95	0.45	9.42	1.71	1.25
Including	55	56	1	1.16	1.29	26	3.33	2.43
	62	82	20	0.67	0.12	3.7	0.89	0.65
Including	65	70	5	2.02	0.34	13.44	2.69	1.96
17-SAV-20	72	83	11	0.54	-----	3.68	0.6	0.44
Including	76	77	1	3.68	0.12	24	4.21	3.07

Note: Cu Eq % = (Cu % + ((Au grade x Au price)/(22.0462 x Cu price x 31.0135 g/t)
Au Eq g/t = Au g/t + (Cu grade x ((Cu price per lb/Au price per oz) x 0.06857 lbs per oz x 10000 g per %))
Price on 31st July 2017: 2.8803 $/lb Cu, 1267.8 $/oz Au (source: http://bigcharts.marketwatch.com)

Bulgaria Exploration Program

The Company's mineral exploration contracts in the Republic of Bulgaria ("**Bulgaria**"), which are held through its 100%-owned subsidiary Bulgaria Alpha EAD, 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 Cu-Au 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, through a 100%-owned subsidiary, owns less than a 5% equity interest.

Summary of Activity:

During Q2 the Company completed a small drill program on the Angel epithermal gold target located in the southern portion of the Zvezda license. A total of 1258.5 meters were drilled, 1012 meters of reverse circulation drilling (RC) and 246.5 meters of diamond drilling. Diamond drilling was drilled as a tail of the RC where RC could not penetrate the required depth due to difficult ground conditions. Total of 1268 samples were collected and sent for analysis. No significant mineralisation was intersected.

Structural interpretation was completed during Q2. The Company used air magnetic survey data and along with high resolution satellite imagery and 3D digital elevation models for completion of regional structural interpretation of the two contract areas. The Chuka mineralised porphyry lies at the intersection of the E-W Chala fault system, the N-S Sarnitza fault zone and a NE linking fault associated with a major sinistral overstep structure. It is possible that part of the Chuka porphyry was offset sinistrally by approximately 1 kilometer across the Chala fault zone. A series of analogous structural intersections along the Chala and Sarnitza fault zones have been highlighted as possible loci for small-scale porphyries.

The Bryastovo prospect (associated with epithermal base metal +/-Au) lies within a zone of intersecting faults. Minor Cu soil anomalism is also associated with the intersection of the faults in the south of the defined prospect zone. The structures may have a previously unrecognized control on mineralisation within this prospect.

the Eplika prospect, which is an epithermal system, lies along a regional NW fault corridor immediately south of its intersection with the Chala fault zone. The intersection of the NW fault corridor and the Chala fault zone is associated with minor copper soil anomalism, and greater than 4 kilometers strike length of the NW fault corridor is associated with elevated gold soil anomalism. This structural trend is considered the most prospective trend in the Eplika area. Three additional zones associated with intersection of the NW fault corridor and EW faults have been highlighted as zones of prospectivity.

The Company is in discussions with various groups regarding joint venturing the two licenses in Bulgaria order to follow up on the newly generated drill targets.

Generative Programs

In February 2017, the Company was notified as winner of a tender for the Pesnopoy exploration license. The Company can not perform any exploration on the license until after an exploration contract has been signed with the government.. Pesnopoy is part of the same mineral district as the Company's existing exploration licenses, Zvezda and Byalo located in the Southeastern Rhodopes, which is historically known for epithermal low sulphidation gold-silver vein-type deposits, as well as disseminated, sediment hosted gold and porphyry copper-gold deposits. Key target in the license is the Rusalsko limestone formation which is believed to be part of the same mineralization suit as Dundee Precious Metal's Ada Tepe gold deposit, Mundoro's Angel Vyvoda gold target and the Stremci deposit and occurrences.

4. RESULTS OF OPERATIONS

The Company ended Q2-2017 with $3,132,254 in cash, cash equivalents and short-term investments. Mundoro has no long-term debt.

Summary of Quarterly Results

C$ Thousands	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15
Exploration and project evaluation	(997)	(650)	(864)	(806)	(376)	(365)	(371)	(312)
Recoveries from partners	311	547	499	382	283	81	12	38
Net Exploration and project evaluation	(686)	(103)	(365)	(424)	(93)	(284)	(359)	(274)
Corporate expenses (1)	(235)	(201)	(203)	(149)	(185)	(107)	(251)	(184)
Loss before other (expenses) income	(921)	(304)	(568)	(573)	(278)	(391)	(610)	(458)
Other income (expense) (2)	(97)	(64)	1	9	(7)	(54)	(143)	3
Loss for the period	(1,018)	(368)	(567)	(545)	(285)	(428)	(729)	(439)
Loss per share:								
Basic	$(0.02)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)
Diluted	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)

1. Corporate Expenses include accounting and audit, corporate governance, corporate communication, and general and administrative expenses.
2. Other income (expense) includes share-based compensation, and foreign exchange loss (gain).

Fluctuations in exploration and project evaluation costs as well as in corporate related expenditures are discussed below. The principal factors that cause fluctuations in the Company's results related to non-cash items include: (i) the timing of stock option grants; and (ii) the write-down of mineral properties.

Result of Operations

Review of Operations for the Six Months Ended June 30, 2017 Compared to the Six Months Ended June 30, 2016

For the six months ended June 30, 2017, the Company recorded a loss of $1,386,275 ($0.03 per share), compared to a net loss of $713,019 ($0.02 per share) for the six months ended June 30, 2016.

The Company's exploration activities during the first half of 2017, included drilling programs both in Serbia and Bulgaria. The Company conducted drilling at the Borsko license and the Tilva Rosh prospects in Serbia and also prepared for a drilling program at the Angel Vyvoda gold taget in Bulgaria. As a result, the Company's exploration costs were higher in 2017 by approximately $904,000. In both periods, the Company's costs related to the Timok North Projects were funded by JOGMEC while the Company's activity on the Timok South Projects in Serbia and the Bulgarian projects are funded by the Company. Total exploration cost recoveries from JOGMEC during the periods ended June 30, 2017 and 2016, amounted to $857,429 and $364,354, respectively. The Company has completed its independent exploration programs for 2017 and plans to focus on its programs on the Timok North Projects, partnered with JOGMEC, for the rest of fiscal 2017.

Given the Company's recent increase in exploration activities, Mundoro invested additional funds on corporate communication matters, including media costs and attendance at conferences. As a result, the Company's corporate communication expenses incurred during the six months ended June 30, 2017 were higher in comparison to the costs incurred during the six months ended June 30, 2016 (2017 - $165,949; 2016 - $46,497).

Mundoro also incurred higher share-based payments expense due to the granting of stock options during 2017 and also a higher foreign exchange loss compared to the six months ended June 30, 2016.

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

Review of Operations for the Quarter Ended June 30, 2017 Compared to the Quarter Ended June 30, 2016

For the quarter ended June 30, 2017, the Company recorded a loss of $1,017,957 ($0.02 per share), compared to a net loss of $285,431 ($0.01 per share) for the quarter ended June 30, 2016.

As noted above, the Company conducted drilling programs during 2017, resulting in higher exploration costs. During the quarter ended June 30, 2017, Mundoro's total exploration costs amounted to $995,445 compared to $375,688 during the quarter ended June 30, 2016. Mundoro's activities in Bulgaria and in Timok South projects are funded by the Company. Drilling on the Timok North Projects are funded by the Company's joint venture partner, JOGMEC. The Company's activities also resulted in higher corporate communication costs during the quarter ended June 30, 2017 (2017 - $96,680; 2016 - $31,724). The Company has completed its independent exploration programs for 2017 and plans to focus on its programs on the Timok North Projects, partnered with JOGMEC, for the rest of fiscal 2017.

The Company incurred higher share-based payments expense due to the higher value of its stock options granted during the quarter ended June 30, 2017 and also incurred a higher foreign exchange loss during the quarter.

Liquidity and Capital Resources

The Company's principal source of liquidity as at June 30, 2017 was cash and cash equivalents totaling $2,120,377 (December 31, 2016 – $1,567,762) and short-term investments of $1,011,877 (December 31, 2016 - $3,012,427).

During the period ended June 30, 2017, the Company's cash used for operating activities amounted to $1,540,701 compared to $678,475 during the period ended June 30, 2016, attributable to the Company's increased exploration and corporate communication activities, as noted above. Except for converting its short-term investments to cash and redeeming certain mineral property guarantee deposits in Bulgaria, the Company's investing and financing activities were limited in both periods.

The Company expects that with its current capital resources and the partnership with JOGMEC, it will be able to continue its activities through the next twelve months. When required, the Company will explore appropriate financing routes which may include: 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 to fund its ongoing business and exploration activities.

5. SHARE CAPITAL

As of June 30, 2017, the Company had one class of common shares with 52,120,109 shares issued. At the date of this MD&A, the Company has 52,120,109 common shares outstanding, 4,422,500 stock options granted at exercise prices ranging from $0.125 to $0.34, expiring between November 2017 and June 2022, and 4,166,667 share purchase warrants outstanding with exercise price of $0.20 per share and expiring in September 2018. As at the date of this MD&A, the exercise of all in-the-money stock options and warrants would result in additional cash proceeds for the Company of $454,943.

6. 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 compensation for meeting attendance and services provided to the board, the Company and committees on which they sit. 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:

(expressed in Canadian Dollars – except as noted otherwise)

	For the six months ended	
	June 30, 2017	**June 30, 2016**
Directors' fees	$ 36,483	$ 39,180
Short-term management salaries and benefits	126,393	120,876
Share based payments - Directors	28,798	21,522
Share based payments - Management	37,900	7,080
	$ 229,574	**$ 188,658**

7. OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements for the Company.

8. USE OF FINANCIAL INSTRUMENTS

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

The Company is exposed to insignificant interest rate risk with respect to its cash, cash equivalents and short term investments 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.

9. CHANGES IN ACCOUNTING POLICIES

A number of new standards, amendments to standards and interpretation, will become effective subsequent to June 30, 2017. Those not applicable to the Company and have been excluded from the discussion below. Those that are expected to be applicable to the consolidated financial statements of the Company are discussed below. The Company intends to adopt those standards when they become effective. As at June 30, 2017, the Company had not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

IFRS 9 – Financial Instruments. This standard and its consequential amendments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 2, Share Based Payment: The IASB issued amendments to IFRS 2 Share-Based Payments that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IFRS 16 – Leases. This standard and its consequential amendments will replace *IAS 17 – Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted for entities that apply IFRS 15.

10. DISCLOSURE CONTROLS AND PROCEDURES UPDATE

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by Mundoro is accumulated and communicated to 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 period 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.

11. 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.

12. 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.

China Related Risks

Through the Company's minority interest, it has rights to a 79% interest in Tianli for the Maoling Gold project located in Liaoning Province, China. Due to its 5% holding, the Company's ability to effect change is limited.

China's economy differs from the economies of most developed countries in many respects, including government intervention; foreign investment; domestic sales of commodities; level of development; growth rate; control of foreign exchange; allocation of resources; and legal recourse. Some of these measures benefit the overall economy of China, but may have a negative effect on Mundoro. Regardless of the economic viability of the Maoling Gold Project, factors such as political instability, terrorism, expropriation by governments or the imposition of new regulations or tax laws may prevent or restrict mining or exploration of the Maoling Gold Project.

The activities of foreign-invested mining companies in China are subject to extensive laws and regulations at the national, provincial and local level, including the Mineral Resources Law of China and regulations thereunder; laws and regulations governing foreign investment enterprises in China; and various rules and policies of the Ministry of Land and Resources. Operations of foreign-invested mining companies may be affected by such government regulations and restrictions on production as import and export controls, taxes, maintenance of claims, environmental legislation, land use, water use and safety regulations. The effect of these factors cannot be accurately predicted.

Foreign-invested mining companies are required to work within a framework which is different to that imposed on local companies. Current Chinese regulations permit foreign investment in some mineral sectors but not all. If the Chinese government should impose greater restrictions on foreign investment and on the operations of foreign-invested mining companies, Mundoro's business and future earnings could be negatively affected. Mechanisms are in place to allow for repatriation of profits and capital from certain foreign-invested mining companies, however there is no certainty that some or all future local currency or capital can be repatriated.

Foreign exchange transactions under Mundoro's capital account, including principal payments in respect of foreign currency-denominated obligations, continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange. These limitations could affect Mundoro's ability to obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures. Any appreciation of the Chinese Yuan ("RMB") may adversely affect Mundoro's earnings, through higher foreign currency denominated operating costs.

The Chinese legal system is a system based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. Because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. In addition, as the Chinese legal system develops, changes in such laws and regulations, their interpretation or their enforcement may have a material adverse effect on Mundoro's business operations since the Maoling Gold Project is located in China and, consequently, if a dispute were to arise between Mundoro and its joint venture partners or any third party Mundoro would be obliged to depend on the courts of China for adjudication.

The legal rights of Mundoro to participate in the joint venture are predicated on the Company being able to enforce its rights under the Joint Venture Contract governed by the laws of the People's Republic of China ("PRC"). Should it become necessary for Mundoro to seek to enforce its legal rights under the Joint Venture Contract, it would need to do so in accordance with the laws of at least the PRC and perhaps other jurisdictions. There can be no assurance that should it become necessary for Mundoro to take such legal action, it will be possible to obtain the legal remedies that are being sought.

13. 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.