



MUNDORO

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 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 year ended December 31, 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 April 24, 2018. 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 April 24, 2018.
- 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 a binding Agreement (the "**JOGMEC 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 JOGMEC Agreement represents the Company's second strategic partnership in recent years, which reinforces the strategic location of Mundoro's land package in the Tethyan belt. In 2015, Mundoro 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.

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 ("**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**").

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.
- The 2017 drill program at Zeleznik completed a total of 4193.7 m in 16 diamond drill holes, nine at the West Zone (2659.6 m) and seven at the East Zone (1534.1 m). The program was designed to follow up on the previous two drilling campaigns in 2015 and 2016 that successfully intersected copper-gold mineralisation at both zones.
- The East Zone drill holes were designed as fences to previously completed holes ZELDD06, ZELDD05 and ZELDD04 and planned in order to further test the carbonate-replacement potential of the East Zone porphyry-marble contacts. Porphyry-marblized-limestone contacts are commonly marked by intervals of massive sulphide carbonate-replacement origin and the reported copper and gold values from the East Zone are usually associated with these contact bodies. In addition to this type of mineralization, the 2017 drilling also identified patches to semi-massive aggregates of fine-grained sooty pyrite and chalcopyrite mineralisation within the porphyry intrusion. This is observed in drill hole 17-ZEL-23 which intersected a mineralised zone for approximately 100 meters starting at 76 m depth where fine-grained black sulphides, pyrite, chalcopyrite and/or magnetite were observed within the brecciated



and faulted portion of the porphyry. The East Zone remains open laterally to the south-southwest for more than 500 m and beneath the carbonate cap as supported by the gold-in-soil anomaly. The Company believes this target merits a follow-up program of fence drilling across the entire system.

Table 1: Highlights from East Zone drill results

Drill Hole ID	From (m)	To (m)	Thickness (m) ³	Cu (%)	Au (g/t)	Ag (g/t)	CuEq ¹ (%)	AuEq ² (g/t)
17-ZEL-15	4.0	8.0	4.0	0.16	0.21	0.26	0.32	0.43
and	33.0	53.8	20.8	0.2	0.26	1.01	0.40	0.55
<i>including</i>	34.0	41.0	7.0	0.23	0.37	1.29	0.51	0.71
<i>including</i>	49.0	53.8	4.8	0.46	0.43	3.15	0.81	1.11
17-ZEL-17				No significant intercepts				
17-ZEL-19	45.0	50.0	5.0	0.26	0.44	0.5	0.59	0.8
17-ZEL-21	83.0	91.0	8.0	0.08	0.35	-	0.34	0.46
17-ZEL-23	0.0	52.0	52.0	0.06	0.32	-	0.29	0.4
and	95.0	110.0	15.0	0.19	0.26	3.0	0.41	0.57
<i>including</i>	97.0	101.4	4.4	0.44	0.54	5.1	0.89	1.22
and	135.0	144.0	9.0	0.3	0.09	1.33	0.38	0.52
and	173.3	174.5	1.2	0.65	1.95	3.8	2.12	2.9
<i>and</i>	213.0	215.0	2.0	0.19	0.26	-	0.38	0.52
<i>and</i>	228.0	231.0	3.0	0.15	0.25	0.77	0.34	0.47
17-ZEL-25	46.0	81.0	35.0	0.29	0.32	0.1	0.52	0.72
<i>including</i>	61.0	71.0	10.0	0.75	0.65	1.6	1.24	1.7
<i>including</i>	63.0	67.1	4.1	1.22	1.02	3.2	2.00	2.74
and	170.2	178.0	7.8	0.27	0.23	1.6	0.46	0.63
<i>including</i>	172.5	174.0	1.5	0.4	0.55	1.5	0.82	1.12
<i>including</i>	176.0	178.0	2.0	0.41	0.06	3.2	0.49	0.67
17-ZEL-28				No significant intercepts				

- The West Zone drill holes were collared on three parallel sections at approximately 100 m between fences and 100 m between holes on each fence. The aim of the drill program was to further test the West Zone copper potential where one of the previously completed drill holes returned an intercept of 25.8m @ 0.39% copper. Four types of porphyry dykes were identified according to their textural composition and geochemistry that are intruded into a metamorphic basement rocks. The four phase porphyry intrusions confirm the multistage porphyry system at the West Zone. Copper mineralisation is associated with early-mineral stage dykes containing A-type quartz veinlets and B-type quartz-pyrite-chalcopyrite veins, as well as disseminated pyrite-chalcopyrite mineralisation. Both the early-mineral dykes and the surrounding wall-rock gneiss are mineralized and form an envelope of above 0.1% Cu that is widening towards the south-southeast. Within this mineralised domain narrow sub-vertical zones with more intensive quartz-chalcopyrite veining have been intersected and returned samples with greater than 0.3% copper. The West Zone mineralisation remains open to the south and east supported by the extension of the copper-gold-in-soil anomaly for an additional 500 meters along strike. The Company believes this target merits a follow-up drilling across the entire system and to test depth potential.



Table 2: Highlights from West Zone drill results

Drill Hole ID	From (m)	To (m)	Thickness (m) ¹	Cu (%)	Au (g/t)	CuEq ² (%)	AuEq ³ (g/t)
17-ZEL-13	178.0	196.0	18.0	0.2	0.06	0.24	0.33
and	228.0	254.0	26.0	0.2	0.04	0.23	0.31
<i>including</i>	230.0	234.0	4.0	0.41	0.08	0.47	0.64
17-ZEL-14	20.0	24.0	4.0	0.19	0.03	0.21	0.29
17-ZEL-16	0.0	71.0	71.0	0.14	0.02	0.16	0.21
17-ZEL-18	0.0	168.3	168.3	0.19	0.04	0.22	0.3
<i>including</i>	14.0	31.5	17.5	0.24	0.05	0.28	0.38
<i>including</i>	99.9	112.0	12.1	0.31	0.06	0.35	0.49
<i>including</i>	128.0	137.0	9.0	0.32	0.06	0.36	0.5
<i>including</i>	152.4	168.3	15.9	0.25	0.05	0.29	0.39
and	193.9	251.8	57.9	0.17	0.03	0.19	0.26
17-ZEL-20	0.0	67.85	67.85	0.2	0.04	0.23	0.31
and	75.8	130.0	54.2	0.17	0.04	0.2	0.27
17-ZEL-22	16.0	248.1	232.1	0.15	0.03	0.17	0.24
<i>including</i>	16.0	23.0	7.0	0.23	0.03	0.25	0.35
<i>including</i>	125.0	129.0	4.0	0.25	0.05	0.29	0.39
<i>including</i>	149.0	157.4	8.4	0.21	0.03	0.23	0.32
<i>including</i>	164.0	175.0	11.0	0.23	0.05	0.27	0.37
<i>including</i>	231.0	248.1	17.1	0.21	0.04	0.24	0.33
17-ZEL-24	40.0	58.0	18.0	0.2	0.01	0.21	0.28
<i>including</i>	46.0	48.7	2.7	0.27	0.02	0.29	0.39
<i>including</i>	52.0	56.7	4.7	0.25	0.01	0.26	0.35
and	185.0	302.6	117.6	0.15	0.02	0.17	0.23
and	243.0	253.0	10.0	0.22	0.04	0.25	0.34
and	279.2	288.0	8.8	0.21	0.04	0.24	0.33
17-ZEL-26	0.0	121.0	121.0	0.16	0.03	0.18	0.25
<i>including</i>	45.0	70.0	25.0	0.22	0.04	0.25	0.34
<i>including</i>	56.0	62.0	6.0	0.37	0.08	0.43	0.59
and	204.0	213.0	9.0	0.24	0.06	0.28	0.39
and	231.0	237.0	6.0	0.19	0.02	0.21	0.28
17-ZEL-27	75.0	301.0	226.0	0.18	0.03	0.2	0.28
<i>including</i>	109.0	115.5	6.5	0.35	0.05	0.39	0.53
<i>including</i>	210.0	267.0	57.0	0.22	0.05	0.26	0.35
<i>including</i>	219.0	228.0	9.0	0.27	0.06	0.31	0.43
<i>including</i>	245.6	251.0	5.4	0.33	0.09	0.4	0.54

1. $Cu\ Eq\ \% = (Cu\ Eq\ \$/t + Au\ Eq\ \$/t + Ag\ Eq\ \$/t) / Cu\ \$\ per\ lb / 2204.6$

2. $Au\ Eq\ g/t = (Cu\ Eq\ \$/t + Au\ Eq\ \$/t + Ag\ Eq\ \$/t) / Au\ \$\ per\ oz \times 31.1$. Price used for CuEq and AuEq calculations are: US\$2.60/lb Cu, US\$1300/oz Au, US\$20/oz Ag

3. All thicknesses from intersections from drill holes are down-hole drilled thicknesses and not true widths. The current exploration model has not had sufficient drill testing to be able to determine true thickness of mineralization.

- To date, the systematic exploration program at Zeleznik has identified four main target areas: West Zone, East Zone, Central Zone and North Zone. The Central Zone and North Zone have yet to be drill tested. To further assist with the exploration of the project as a whole, which includes 67.74 sq.km (6,774 hectares) over three licenses: (i) Zeleznik license (60 sq.km), (ii) Radjina license (4 sq.km), and (iii) Fresenis license (3 sq.km), a ground magnetic survey over



the entire project began in October 2017. The survey is designed to cover the project at 100-meter line spacing. This magnetic data along with the structural interpretation and regional soil analysis will be used to further define target areas over the project.

Dubrava and Padina licenses

- Dubrava totals 51 sq.km 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.
- 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.
- Structural interpretation over the licenses was completed during Q4 2017. The currently-available magnetic, IP and geological data covering the Dubrava and the adjacent Padina exploration tenements were reviewed and a preliminary structural framework interpretation were compiled. Significant Cu and Au mineralisation in the district (including the Bor and Veliki Krivelj Cu-Au porphyry deposits) is hosted in the north-west trending Mesozoic belt. A parallel fault zone extends across the Padina and Dubrava tenements, forming a significant structural subdomain. Three possible structural target zones associated with (or proximal to) intersections of the NW- fault splays with a subdomain-bounding NNW- fault have been highlighted as first priority follow up targets at Padina.

Borsko 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 and to the west of the producing Bor copper porphyry mine which is directly west of the Veliki Krivelj copper-gold porphyry mine.
- The 2017 drill program at Borsko completed a total of 7115 m in seven drill holes. Six drill holes (6113.3 m) were drilled at Target 1 and one drill hole (BJ-08; 1002 m) tested Target 2.
- At Target 1 the opportunity for discovery appears to improve to the northwest and northeast along strike of the main fault zone as identified in drill core and supported by a magnetic-low anomaly. Furthermore, it appears east-west striking faults could also be displacing blocs of the alteration, which are also well documented in the nearby Bor deposit. The creation and subsequent shifting of blocks of alteration suggests targeting should remain tightly spaced rather than large step-out drilling which was attempted with two of the drill holes towards the south and the west. Compilation of drill hole geology shows that hydrothermal alteration towards the south and west has been either offset or cut-off at a distance of approximately 400 m. This is defined by drill hole 17-BJ-09 and 17-BJ-10 remaining in the cover volcanic units and the appearance of native copper which is generally considered as distal to an epithermal system.
- There six drill targets at Borsko four of which remain to be tested. The Company will be conducting further geophysics and drilling in 2018.


Table 3: Highlights of 2017 Borsko drill results

Drill Hole ID	From (m)	To (m)	Interval (m) ³	Cu (%)	Au (g/t)	Ag (g/t)	CuEq ¹ (%)	AuEq ² (g/t)
BJ-06	758.4	767.0	8.6	0.023	0.2	1.9	0.19	0.26
<i>including</i>	764.6	765.2	0.6	0.18	0.78	24.3	1.02	1.40
BJ-07	607.6	609.0	1.4	0.004	1.03	-	0.76	1.04
<i>and</i>	1032.0	1050.0	18.0	0.07	0.17	0.4	0.20	0.27
<i>including</i>	1032.0	1035.4	3.4	0.27	0.33	3.3	0.55	0.75
BJ-08	625.0	627.0	2.0	0.1	0.007	-	0.11	0.14
<i>and</i>	942.4	943.3	0.9	2.63	0.83	5.8	3.30	4.53
17-BJ-09				No significant intercepts				
17-BJ-10				No significant intercepts				
17-BJ-11	785	800	15.0	0.006	1.04	6.9	0.84	1.15
<i>including</i>	793	797	4.0	0.004	2.1	13.7	1.69	2.32
17-BJ-12	532.8	564	31.2	0.037	0.77	1.9	0.62	0.85
<i>including</i>	535	543	8.0	0.07	1.8	4.7	1.44	1.97

Note: $Cu Eq \% = (Cu Eq \$/t + Au Eq \$/t + Ag Eq \$/t) / Cu \$ \text{ per lb} / 2204.6$, $Au Eq g/t = (Cu Eq \$/t + Au Eq \$/t + Ag Eq \$/t) / Au \$ \text{ per oz} \times 31.1$, Price used from December 10, 2017: US\$2.9649/lb Cu, US\$1248.2/oz Au, US\$15.7/oz Ag. The results provided in the table above are early-stage and insufficient to establish a true thickness of the mineralized zones.

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. Work at Sumrakovac license during 2017 continued with data analysis and prioritization of targets.
- The mineralization at Skorusa porphyry appears open to the west, recent data compilation and interpretation has identified several additional drill targets over the Skorusa system as well as a newly identified parallel alteration trend.

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 2017 the Company completed a drilling program at Tilva Rosh epithermal gold target 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 drill program comprised 14 inclined reverse circulation drill holes totaling 1144 m.
- Drill results 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 a lithocap. The lithocap appears to be



displaced due to 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 zinc anomaly reminiscent of the zinc distribution in porphyry copper systems. 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 centre could occur at depth in the general vicinity of the lithocap.

Table 4: Savinac license Assay results from drilling program 2017

Drill Hole ID	From (m)	To (m)	Interval (m) ³	Au (g/t)	Cu (%)	Ag (g/t)	AuEq ² (g/t)	CuEq ¹ (%)
17-SAV-07	20.0	24.0	4.0	0.52	0.47	2.83	1.21	0.88
and	35.0	41.0	6.0	1.29	0.8	11	2.56	1.86
<i>including</i>	35.0	36.0	1.0	1.53	1.91	8.8	4.28	3.12
<i>including</i>	40.0	41.0	1.0	1.28	1.46	8.1	3.41	2.48
17-SAV-08	101.0	104.0	3.0	3.72	0.19	22.67	4.33	3.16
17-SAV-09	25.0	30.0	5.0	0.32	-----	3.48	0.37	0.27
17-SAV-10	63.0	78.0	15.0	0.37	0.24	2.2	0.73	0.54
<i>including</i>	64.0	71.0	7.0	0.63	0.43	4.39	1.29	0.94
<i>including</i>	65.0	66.0	1.0	1.25	1.12	7.2	2.9	2.11
and	88.0	92.0	4.0	0.45	-----	1.45	0.47	0.34
17-SAV-11	35.0	39.0	4.0	0.57	0.13	0.5	0.76	0.55
<i>including</i>	38.0	39.0	1.0	1.91	0.23	1.1	2.24	1.64
and	139.0	145.0	6.0	0.45	-----	1.8	0.48	0.35
17-SAV-12	5.0	11.0	6.0	0.65	-----	7.97	0.77	0.56
17-SAV-13	34.0	42.0	8.0	0.92	-----	8.1	1.06	0.76
17-SAV-15	88.0	94.0	6.0	0.74	-----	7.5	0.86	0.62
17-SAV-17	50.0	60.0	10.0	0.54	0.23	4.8	0.93	0.68
<i>including</i>	55.0	60.0	5.0	0.95	0.45	9.42	1.71	1.25
<i>including</i>	55.0	56.0	1.0	1.16	1.29	26	3.33	2.43
and	62.0	82.0	20.0	0.67	0.12	3.7	0.89	0.65
<i>including</i>	65.0	70.0	5.0	2.02	0.34	13.44	2.69	1.96
17-SAV-20	72.0	83.0	11.0	0.54	-----	3.68	0.6	0.44
<i>including</i>	76.0	77.0	1.0	3.68	0.12	24	4.21	3.07

Bacevica license

- Bacevica license totals 148 sq.km and is located directly south of the Savinac license.
- No work was carried out at Bacevica license during 2017.



Osnic license

- Osnic license totals 76 sq.km and is located directly east of the Savinac and Sumrakovac license.
- No work was carried out at Osnic license during 2017.

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, 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, through a 100%-owned subsidiary, owns a 2.9% equity interest.

Zvezda license

Zvezda is a 94 sq.km area located in southeastern Bulgaria 270 km southeast of Sofia, within the Rhodopean region of the Tethyan metallogenic belt. Zvezda is contiguous at the north end with Mundoro's 100% owned Byalo license. The two licenses together surround a third-party owned project which is host to an operating gold mine where Mundoro is a minority shareholder;

Angel Target

At Angel target, mineralized zones are hosted in Eocene sediments and are expressed on surface as discrete fault controlled breccia and veinlets. Soil geochemical anomalies highlight an area of 2.7 x 1.5 km area anomalous in Au-Ag-Sb-As-Mo suit of elements (epithermal) and delineating at least three sets of E-W to NW-SE *en-echelon* structures. Previous work identified low-sulphidation style gold mineralization hosted in Eocene sediments resembling the Ada Tepe gold deposit and Stremci gold occurrence. Rock and soil sampling results returned 1 to 3.3 g/t Au in rock outcrops and three gold bearing structures in soil anomalies trending NW from 1.3 km to 2.7 km long;

The apparent trend of the anomalies at Angel is coincident with the known structural trend in the region. Follow-up fieldwork, geophysical survey and interpretation suggests that the broad nature of the anomaly is a result of steep structures which have transported gold and the associated epithermal suite of elements from a deeper source at the unconformity contact of the Tertiary sediments and host metamorphic basement unit.

A total of 1,258 meters were drilled. Drilling confirmed the outlined sets of E-W to NW-SE *en-echelon* structures, but assays did not return any significant gold values neither in the RC chips, nor in the diamond core samples.

Eplika Target

Eplika epithermal gold prospect was generated as a target through systematic exploration completed by Mundoro in 2014-2016.

- The mineralization at Eplika is hosted in Oligocene latites and andesites and is expressed on surface as discrete fault controlled zones of brecciation, silicification and quartz veining. Soil geochemical anomalies highlight an area of 0.1 x 1.1 km area anomalous in Au-Ag±Sb±As±Mo suit of elements (epithermal) and delineating a mapped set of discrete E-W to NW-SE trending *en-echelon* structures, dipping moderately to the south. Previous work identified low-sulphidation style gold mineralization with rock sampling results returning up to 24.2 g/t Au in rock.
- An infill soil sampling program was executed on a 50 m x 100 m grid. The assays confirm the geometry of the previously mapped zone of mineralization and point to an extension of the zone approximately 200 m further to the east totaling 1300 m x 500 m.



- Assays from infill rock sampling at Eplika returned gold values of up to 14.05 ppm within the previously mapped zone of mineralization.
- Several samples north of the mapped mineralized zone show gold values between 0.6 and 3.77 ppm.
- Additional rock sampling covering the area southeast of Eplika shows slightly elevated Zn-Pb±Cu values.

Byalo License

Byalo license is a 150 sq.km area located within the Rhodope mountains in southeastern Bulgaria, 250 km southeast of Sofia. Byalo is contiguous at the south end 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 the most systematic exploration completed by the Company in 2015-2016, including a 1000 m drill program in three inclined diamond drill holes.

Infill soil sampling program was completed at Chuka in 2017 to provide further detail on the geometry of gold and molybdenum anomalous zones. A total of 109 soil samples were collected and analyzed. Results confirmed the zoned copper-molybdenum porphyry system at Chuka is 1000 m x 1300 m in size from which only the central part has been drill tested.

The 2016 drill program work intersected copper-gold porphyry style mineralisation which returned encouraging results of 146.5 m @ 0.40% Cu and 0.12 g/t Au from 66.8 m including 80.5 m @ 0.51% Cu and 0.15 g/t Au from 74 m and remains open to the southwest, south and north.

A ground magnetic survey was completed at the central and northern portion of the license totaling 85.4 line/km along 23 profile lines spaced at 100 m. Historical government airborne magnetic and gamma-ray spectrometry data were processed and interpreted along the same area covered by the ground magnetic data. Data analysis revealed several structural trends and anomalies directly related to known magmatic and hydrothermal activity in the license which require follow-up exploration.

Generative Programs

Bulgaria Alpha EAD the local subsidiary of Mundoro in Bulgaria has been announced the winner of the Svoboda tender. Further procedural steps are required before the exploration contract is signed with the local government.

Svoboda is located in the Panagyurishte Region which is approximately 100 km south-east of Sofia. Svoboda covers 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.

Within Svoboda, there are two identified prospects to date: the Radka high sulphidation copper and gold deposit ("Radka") and the Red Hill copper and gold prospect ("Red Hill").

Radka

The Radka mine was in operation from 1928 to 1993 with total production of 6.4 million tons at 1.06% Cu and 3 g/t Au, according to historical records in the Bulgarian National Geological Fund.

The Radka deposit is reported to host a historical mineral resource estimates, calculated under the Bulgarian classification system, consisting of 2.02 million tons at 0.60% Cu and 0.57 g/t gold (category 221) and 0.27 million tons at 0.60% Cu and 0.53 g/t Au (category 222).

Red Hill

Red Hill is a high sulphidation gold-silver prospect with reported outcropping mineralisation of 2.98 g/t Au and 59 g/t Ag over 20 m hosted in a wider 61.5 m interval averaging 0.59 g/t Au and 10 g/t Ag.



The Red Hill deposit is reported to host historical mineral resource estimates, calculated under the Bulgarian classification system, as follows: 50,000 tons at 1.42% Cu and 0.60 g/t Au (category 331) and 0.6 million tons at 0.76 % Cu and 4.5 g/t Au (category 333).

The historical mineral resource estimates at Radka and Red Hill are derived from prior data and reports prepared by the National Geological Survey and held in the Bulgarian National Geological Fund. The company is not currently able to confirm the dates of the estimates or the key assumptions, methods and parameters used to prepare them. At this time, Mundoro is not able to determine the reliability of the resource estimates with reference to the standards applicable to CIM-compliant resource estimates, although expects that additional exploration work will be required to enable Mundoro to report some or all of the mineralized material in conformity with CIM resource estimate categories. A Qualified Person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves and the Company is not treating the historical estimates as current mineral resources or mineral reserves.

Pesnopoy license

- Pesnopoy license covers 35.95 sq.km (3595 hectares) area located within the Eastern Rhodopean Region part of Tertiary Volcanic Arc in southeastern Bulgaria, 275 km southeast of Sofia. It is adjacent to Mundoro's active licenses, 15 km to the SW of Zvezda.
- In 2017, the Company was announced as winner of a tender for the Pesnopoy exploration area.
- The contract is expected to be granted to Mundoro in 2018.
- Pesnopoy is part of the same mineral district as Zvezda and Byalo licenses - Southeastern Rhodopes, and is historically known to be targeted for epithermal low sulphidation Au-Ag vein-type, as well as disseminated, sediment hosted gold and porphyry Cu-Au deposits.
- Key target unit in the license is the Rusalsko limestone formation which is believed to be part of the same mineralization suit as Ada Tepe – Angel Voivoda – Stremci deposits and occurrences. Rusalsko covers an area of alteration of 500 m x 300 m, elongated to the NW. Central portion of the altered zone is completely silicified and brecciated and reportedly contains up to 1 g/t Au in isolated rock samples.



4. RESULTS OF OPERATIONS

The Company ended its 2017 fiscal year with \$3,522,406 in cash and cash equivalents. A further \$999,945 from the Company's private placement in December 2017, were held in escrow as at December 31, 2017. Mundoro has no debt. The escrow funds were released from escrow in January 2018.

Summary of Quarterly Results

C\$ Thousands	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16
Exploration and project evaluation	(1,438)	(829)	(997)	(650)	(864)	(806)	(376)	(365)
Recoveries from partners	1,290	532	311	547	499	382	283	81
Net Exploration and project evaluation	(148)	(297)	(686)	(103)	(365)	(424)	(93)	(284)
Corporate expenses ⁽¹⁾	(170)	(202)	(235)	(201)	(203)	(149)	(185)	(107)
Loss before other (expenses) income	(318)	(499)	(921)	(304)	(568)	(573)	(278)	(391)
Other income (expense) ⁽²⁾	(114)	(67)	(97)	(64)	1	9	(7)	(54)
Loss for the period	(432)	(566)	(1,018)	(368)	(567)	(545)	(285)	(428)
Loss per share:								
Basic	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)
Diluted	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)

Result of Operations

	For the year ended December 31		
	2017	2016	2015
From operations:			
Exploration and project evaluation	(3,913,259)	(2,388,677)	(1,571,886)
Recoveries from partners	2,678,803	1,245,498	49,340
Net Exploration and project evaluation	(1,234,456)	(1,143,179)	(1,522,546)
Corporate expenses ⁽¹⁾	(807,831)	(665,937)	(725,021)
Loss before other expenses	(2,042,287)	(1,809,116)	(2,247,567)
Other expense ⁽²⁾	(341,986)	(15,965)	(74,223)
Loss for the year	(2,384,273)	(1,825,081)	(2,321,790)
Basic and diluted loss per share	\$ (0.04)	\$ (0.04)	\$ (0.05)
	As at	As at	As at
	December 31,	December 31,	December 31,
	2017	2016	2015
Total Assets	6,436,795	6,114,936	6,976,719
Total Long-Term Liabilities	Nil	Nil	Nil
Cash Dividends per Share	Nil	Nil	Nil

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).
3. Certain comparative information has been restated to be consistent with the current year's presentation.

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.



Review of Operations for the Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

For the year ended December 31, 2017, the Company recorded a loss of \$2,384,273 (\$0.04 per share), compared to a net loss of \$1,825,081 (\$0.04 per share) for the year ended December 31, 2016.

The Company's exploration activities during the year ended December 31, 2017, included drilling programs both in Serbia and Bulgaria, as described above. As a result, the Company's exploration costs were higher in 2017 by approximately \$1,525,000. In both periods, the Company's costs related to the Timok North Projects were sole funded by JOGMEC while the Company's activity on the Timok South Projects in Serbia and the Bulgarian projects were funded by the Company. Total exploration cost recoveries from JOGMEC during the year ended December 31, 2017 and 2016, amounted to \$2,678,803 and \$1,245,498, respectively.

Given the Company's recent increase in exploration activities, Mundoro invested additional funds on financing related activity. As a result, the Company's corporate communication expenses incurred during the year ended December 31, 2017 were higher in comparison to the costs incurred during the year ended December 31, 2016 (2017 - \$330,586; 2016 - \$185,345).

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 year ended December 31, 2016. The foreign exchange loss during the year ended December 31, 2017 was primarily attributable to the depreciation in US dollar and its impact on the Company's US dollar denominated assets.

Due to the lack of information and progress on the Maoling Gold Project, the Company wrote-off the value of its Chinese investment. Total impairment charges during the year ended December 31, 2017 amounted to \$63,511 (December 31, 2016 - \$Nil).

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

Review of Operations for the Quarter Ended December 31, 2017 Compared to the Quarter Ended December 31, 2016

For the quarter ended December 31, 2017, the Company recorded a loss of \$432,430 (\$0.01 per share), compared to a net loss of \$567,340 (\$0.02 per share) for the quarter ended December 31, 2016.

As noted above, the Company conducted drilling programs during 2017, resulting in higher exploration costs. During the quarter ended December 31, 2017, the Company focused on its programs on the Timok North Projects, which are funded by JOGMEC. Mundoro's total exploration costs amounted to \$1,437,781 compared to \$863,524 during the quarter ended December 31, 2016. The net exploration costs amounted to \$148,259 during 2017 compared to \$364,456 during the quarter ended December 31, 2016.

Other than increased exploration expenditures, the Company's activities resulted in lower corporate communication costs during the quarter ended December 31, 2017 (2017 - \$61,520; 2016 - \$84,153). The Company's corporate governance costs were also lower during the quarter ended December 31, 2017 (2017 - \$65,752; 2016 - \$91,144) due to the Company's restructuring in the later part of 2016.

The Company incurred higher share-based payments expense due to the higher value of its stock options granted during the year ended December 31, 2017.

The Company also wrote-off the capitalized cost for its investment in the Maoling Gold Project, as described above.

**Liquidity and Capital Resources**

The Company’s principal source of liquidity as at December 31, 2017 was cash and cash equivalents and short-term investments totaling \$3,522,406 (December 31, 2016 – \$4,580,189) and funds held in escrow of \$999,945.

During the year ended December 31, 2017, the Company’s cash used for operating activities amounted to \$2,427,919 compared to \$1,808,168, with the increase primarily attributable to higher exploration activities, as noted above. The Company purchased equipment of \$112,610 during fiscal 2017. Except for converting its short-term investments to cash and redeeming certain mineral property guarantee deposits in Bulgaria, the Company’s other investing activities were limited in 2017.

During fiscal 2017, the Company raised (net of financing costs) a total of \$2,204,250 from private placements, of which \$999,945 were held in escrow and received during January 2018. During fiscal 2016, the Company had raised \$923,975 from private placements. The Company expects that it will 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, 4,170,000 stock options granted at exercise prices ranging from \$0.13 to \$0.30, expiring between April 2018 and June 2022, and 12,768,625 share purchase warrants outstanding with exercise prices of \$0.20 per share; all expiring between September 2018 and December 2020.

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 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:

Expenses by nature:	For the year ended	
	December 31, 2017	December 31, 2016
Directors' fees	\$ 76,938	\$ 71,446
Short-term management salaries and benefits	243,170	285,594
Share based payments - Directors	42,572	31,415
Share based payments - Management	57,237	13,663
	\$ 419,917	\$ 402,118

6. OFF BALANCE SHEET ARRANGEMENTS

There are no off balance sheet arrangements for the Company.



7. USE OF FINANCIAL INSTRUMENTS

The Company is exposed to a variety of financial instrument related risks. The types of risk exposure and the way in which such exposure is managed are as follows:

Credit risk

The Company is exposed to credit risk with respect to its cash, cash equivalents, short-term investments and other receivable. Cash, cash equivalents and short-term investments have been placed on deposit with major Canadian financial institutions. Other receivable consists primarily of amounts receivable from the Company's joint venture partners as part of their earn-ins in the Company's exploration projects in Serbia.

The risk arises from the non-performance of counter parties to contractual financial obligations. The Company manages credit risk, in respect of cash, cash equivalents and, short-term investments by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution. As well, the Company establishes alliance with partners only with high credit-worthiness with respect to exploration on its projects and deems the credit risk related to other receivable to be low.

Concentration of credit risk exists as the majority of cash and short-term investments are held at a single Canadian financial institution and the other receivables as at December 31, 2017 pertains to amounts due from JOGMEC.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk requirements for its exploration, development and other corporate activities, and ensuring that it has sufficient cash and cash equivalents on hand to meet its short-term business requirements. Management and the Board of Directors annually review, plan and approve annual budgets and significant expenditures and commitments. The Company believes that it has sufficient cash and cash equivalents to meet its short-term business requirements. In the long-term, the Company will have to raise funds through the issuance of equity, assumption of debt, or other financing alternatives to complete development of its current projects and any projects acquired by the Company in the future. There are no assurances that the Company would be successful in its efforts to secure any required future financing.

The Company maintained sufficient cash and cash equivalents at December 31, 2017 in the amount of \$3,522,406, in order to meet short-term business requirements. At December 31, 2017 the Company had accounts payable and accrued liabilities of \$700,347, which are expected to be paid within three months.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash equivalents include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2017. As at December 31, 2017, the Company holds \$1,917,672 in interest bearing cash deposits. Based on this net exposure as at December 31, 2017, and assuming that all other variables remain constant, a 10% change in the interest rate the Company is currently receiving would result in an increase or decrease of approximately \$2,609 in the Company's net loss.



Currency risk

The Company operates in Canada, Mexico, Serbia, Bulgaria and the Netherlands, and its expenses are incurred in CAD\$, US\$, MXN, EUR, BGN and RSD. The Company is affected by currency transaction risk, which may affect the Company's operating results as exchange rates fluctuate. The Company has not hedged its exposure to currency risk.

The Company maintains its funds primarily in Canadian dollars and purchases foreign currencies to meet current operating needs.

8. CHANGES IN ACCOUNTING POLICIES

A number of new standards, and amendments to standards, will become effective subsequent to December 31, 2017. Those that are expected to be applicable to the consolidated financial statements of the Company are discussed below.

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. Except for hedge accounting model, retrospective application is required, but provision of comparative information is not compulsory. For hedge accounting, the requirements are to be applied prospectively, with some limited exceptions.

The Company will adopt the standard on the required effective date and will not restate its comparative information.

All of the Company's financial assets, except for its investments, are short-term and will be measured at amortized cost. The Company's investments include investments in common shares of private entities (Note 6). Unlike IAS 39, IFRS 9 does not permit the recognition of such investments at cost. The Company will measure these investments at their fair value at each reporting period. As at December 31, 2017, the fair value of these investments approximated their capitalized cost on the statement of financial position but their measurement at fair value during subsequent periods could result in a significant impact on the Company's financial position.

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. The Company has not adopted this standard early and is currently assessing the impact it will have on its consolidated financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.



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.

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.

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 McQuat 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.